82D CONGRESS
2D SESSION

S. 3066

IN THE SENATE OF THE UNITED STATES

APRIL 24, 1952

Mr. MAYBANK introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To amend defense housing laws, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Housing Act of 1952".

SEC. 2. Section 217 of the National Housing Act, as amended, is hereby amended to read as follows:

"SEC. 217. Notwithstanding limitations contained in any other section of this Act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time) and on the aggregate amount of contingent liabilities which may be outstanding at any one time under insurance contracts,

1 or commitments to insure, pursuant to any section or title
2 of this Act, any such aggregate amount shall, with respect
3 to any section or title of this Act (except section 2), be
4 prescribed by the President from time to time taking into
5 consideration the needs of national defense and the effect of
6 additional insurance authorizations upon conditions in the
7 building industry and upon the national economy: *Provided,*
8 That the dollar amount of the insurance authorization pre-
9 scribed by the President at any time with respect to any
10 provision of title VI shall not be greater than authorized by
11 provisions of that title: *And provided further,* That, at any
12 time, the aggregate dollar amount of the mortgage insurance
13 authorization prescribed by the President with respect to
14 title IX of this Act, plus the aggregate dollar amount of all
15 increases in insurance authorizations under other titles of
16 this Act prescribed by the President pursuant to authority
17 contained in this section, less the aggregate dollar amount
18 of all decreases in insurance authorizations under this Act
19 prescribed by the President pursuant to authority contained
20 in this section shall not exceed $2,500,000,000.".
21 SEC. 3. (a) Section 301 (a) (1) of said Act, as
22 amended, is hereby amended—
23 (1) by striking the words beginning with "after
24 April 30, 1948" and ending with the colon at the end
25 of the first proviso thereof and inserting the words:

"under this Act, as amended, or insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended: *Provided,* That no such mortgage, except defense or disaster mortgages as defined in subparagraph (G) hereof, shall be purchased by the Association unless insured or guaranteed after February 29, 1952, or purchased pursuant to a commitment made by the Association:";

(2) by striking from subparagraph (E) "pursuant to authority contained herein, exceeds 50 per centum of the original principal amount of all mortgages made by such mortgagee" and inserting "after February 29, 1952, pursuant to authority contained herein, exceeds 50 per centum of the original principal amount of all mortgage loans made by such mortgagee that are insured or guaranteed after February 29, 1952";

(3) by striking the proviso in subparagraph (E) and inserting "*Provided,* That this clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G)"; and

(4) by striking from the proviso in subparagraph (G) "which do not exceed $252,000,000 outstanding at any one time, if applications for such commitments were received by the Association prior to December

28, 1951, or, in the case of title VIII mortgages, if the Federal Housing Commissioner issued his commitment to insure prior to December 31, 1951, but subsequent to December 27, 1951, and if such commitments of the Association relate to" and inserting "and prior to July 1, 1953, which do not exceed $1,552,000,000 outstanding at any one time, if such commitments of the Association relate to defense or disaster mortgages. As used in this title III, 'defense or disaster mortgages' means".

(b) Section 302 of said Act, as amended, is hereby amended (1) by striking "$2,750,000,000" and insertnig "$4,050,000,000"; and (2) by adding before the period at the end of the first sentence of said section ": *Provided*, That not more than $2,750,000,000 of such total amount outstanding at any one time shall relate to mortgages other than defense or disaster mortgages as defined in section 301 (a) (1) (G)".

SEC. 4. Section 313 of the Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by striking out "$60,000,000" in paragraph (a) thereof and substituting "$160,000,000" and by striking out "$50,000,000" in paragraph (b) thereof and substituting "$250,000,000".

SEC. 5. The first sentence of section 302 (b) of the

1 Defense Housing and Community Facilities and Services Act
2 of 1951 is hereby amended by adding after the words "for
3 reuse at other locations" the words "or existing housing built
4 or acquired by the United States under authority of other
5 law".

6 SEC. 6. Section 611 of the Act entitled "An Act to
7 expedite the provision of housing in connection with national
8 defense, and for other purposes", approved October 14, 1940,
9 as amended, is hereby amended by inserting "or section 313
10 of this Act" immediately preceding the parenthetical clause,
11 and by striking out "to this title" at the end of the parenthet-
12 ical clause and inserting in lieu thereof "thereto".

13 SEC. 7. The first sentence of section 3 (b) and the first
14 sentence of section 3 (d) of the Alaska Housing Act, ap-
15 proved April 23, 1949, as amended, are hereby amended by
16 striking "$15,000,000" and inserting "$25,000,000".

17 SEC. 8. Title II of the National Housing Act, as
18 amended, is hereby amended by adding the following new
19 section:

20 "SEC. 218. In any case where an application for mort-
21 gage insurance under section 608 of this Act was received
22 by the Federal Housing Commissioner on or before March 1,
23 1950, and a commitment to insure was issued by said Com-
24 missioner in accordance therewith any mortgagee who, prior

1 to the expiration of such commitment, applied for insurance
2 of a mortgage under section 207 of this Act with respect to
3 the same property or project shall receive credit for all
4 application fees paid in connection with the prior application:
5 *Provided,* That nothing therein shall constitute a waiver of
6 any requirements otherwise applicable to the insurance of
7 mortgages under section 207 of this Act.".

8 SEC. 9. The Secretary of the Treasury is hereby author-
9 ized and directed from time to time to credit and cancel
10 the note or notes of the Housing and Home Finance Ad-
11 ministrator executed and delivered in connection with loans
12 transferred from the Reconstruction Finance Corporation
13 to the Housing and Home Finance Agency pursuant to
14 Reorganization Plan Numbered 23 of 1950 (64 Stat. 1279),
15 to the extent of the net loss, as determined by the Secretary
16 of the Treasury, sustained by said Agency in the liquidation
17 of defaulted loans. The net loss shall be the sum of the
18 unpaid principal and advances for care and preservation of
19 collateral, together with accrued and unpaid interest on said
20 principal and advances, and all expenses and costs (other
21 than those subject to administrative expense limitations) in
22 connection with the liquidation of defaulted loans, less the
23 amount actually realized by the Housing and Home Finance
24 Agency on account of such defaulted loans.

1 SEC. 10. (a) The National Housing Act, as amended,
2 is hereby amended—
3 (1) by adding at the end of section 8 the following
4 new section 9:
5 "SEC. 9. The provisions of sections 2 and 8 shall be
6 applicable in the several States and Alaska, Hawaii, Puerto
7 Rico, the District of Columbia, Guam, and the Virgin
8 Islands.";
9 (2) by adding "Guam," after the words "District
10 of Columbia," in each place where they appear in sec-
11 tions 201 (d), 207 (a) (7), 301 (c) (4), 601 (d),
12 and 801 (f);
13 (3) by inserting in section 214—
14 (A) the words "or in Guam" after the word
15 "Alaska" in each place where it appears in said
16 section,
17 (B) the words "or maxima" after the word
18 "maximum", and
19 (C) the words "or the Government of Guam
20 or any agency or instrumentality thereof" after the
21 words "Alaska Housing Authority" in each place
22 where they appear in said section;
23 (4) by adding at the end of section 713 the follow-
24 ing new subsection (q):

1 "(q) 'State' shall include the several States and Alaska,
2 Hawaii, Puerto Rico, the District of Columbia, Guam, and
3 the Virgin Islands."; and
4 (5) by deleting the words "or Territory" in section
5 403 (a) and inserting in lieu thereof the words "Ter-
6 ritory, or possession".
7 (b) The Home Owners' Loan Act of 1933, as amended,
8 is hereby amended by adding a comma and "Guam,"
9 after the words "Puerto Rico" in section 7 thereof.
10 (c) The Federal Home Loan Bank Act, as amended,
11 is hereby amended by adding "Guam," after "District of
12 Columbia," in section 2 (3) thereof.
13 (d) The Defense Housing and Community Facilities
14 and Services Act of 1951 is hereby amended by adding
15 at the end of section 401 the following: "This title shall
16 be applicable in the several States, the District of Colum-
17 bia, and the Territories and possessions of the United
18 States."
19 (e) Section 102b of the Housing Act of 1948, as
20 amended, is hereby amended by adding at the end thereof
21 the following: "Such powers, functions, and duties may be
22 exercised in the several States, the District of Columbia,
23 and the Territories and possessions of the United States."
24 SEC. 11. Title V of the Housing Act of 1949, as
25 amended, is hereby amended as follows:

1 (a) In the first sentence of section 511 immediately
2 following the phrase "July 1, 1951" strike the word "and"
3 and insert at the end of the sentence just before the period
4 a comma and the language "and such additional sums on
5 and after July 1, 1953, as the Congress may from time
6 to time determine".

7 (b) At the end of section 512 just before the period
8 insert a comma and the language "and to make additional
9 commitments on and after July 1, 1953, for additional con-
10 tributions aggregating not more than $2,000,000 per
11 annum".

12 (c) In section 513 just before the last semicolon in-
13 sert a comma and the language "and such further amounts
14 on and after July 1, 1953, as the Congress may from time
15 to time determine".

82D CONGRESS
2D SESSION

S. 3066

A BILL

To amend defense housing laws, and for other purposes.

By Mr. MAYBANK

APRIL 24, 1952

Read twice and referred to the Committee on Banking and Currency

The ACTING PRESIDENT pro tempore. Does the Senator from West Virginia yield to the Senator from Nebraska?

Mr. NEELY. In a moment. To encumber the bill with the antistrike amendment would be to insult every railroad man and woman in the land. Of all times to consider antistrike legislation, the present is the most unfavorable to calm deliberation, clear vision and praiseworthy action, because of the Nation-wide ferment generated by the recent labor disputes in the telephone, telegraph, and steel industries.

I now yield to the Senator from Nebraska.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

Mr. BUTLER of Nebraska. Mr. President, I merely wanted to state to the distinguished Senator from West Virginia that, having been a railroad man, myself, no one has greater respect for the fraternity of the railway unions than has the senior Senator from Nebraska.

Mr. NEELY. Mr. President, candor compels me to observe that, in my opinion, the distinguished Senator from Nebraska will find it difficult to demonstrate his great respect for the railroad employees by means of an antistrike amendment to a bill designed to provide them benefits with funds they largely help to pay.

Mr. BUTLER of Nebraska and Mr. BENNETT addressed the Chair.

The ACTING PRESIDENT pro tempore. Does the Senator from West Virginia yield; and if so, to whom?

Mr. NEELY. I yield first to the Senator from Utah.

Mr. BENNETT. Mr. President, if I heard the Senator correctly a moment ago, he stated that these benefits were purchased by contributions made by the employees themselves. I hold in my hand the report of the committee on this bill, which, on page 3, under the subhead "Contributions for Railroad Unemployment Insurance Act benefits" says:

> The unemployment and sickness programs are supported by contributions collected by the Railroad Retirement Board from employers alone.

Mr. NEELY. Mr. President, the Senator is correct as to the derivation of the funds with which the benefits are paid. But this fact does not, in any manner, justify an amendment for an obviously unjustifiable end. I entreat the Senate to reject the amendment by a unanimous vote.

SEVERAL SENATORS. Vote! Vote!

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. BUTLER].

Mr. BRIDGES. Mr. President, I desire to ask a question. It has been suggested by the chairman of the committee and by the majority leader that this is not a subject which has had the attention of the committee, and that it should properly come before the committee for consideration. Let me ask the chairman of the committee, the distinguished Senator from Montana, and both of these distinguished Senators, whether, if the amendment were withdrawn, the committee would set the matter down for hearing?

Mr. MURRAY. If the proposed legislation is referred to the committee, I would call a hearing as promptly as possible in order to have it acted on at this session. However, I think it entirely unfair to attempt, by an amendment offered on the floor of the Senate, to legislate on the subject at this time.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. FERGUSON. Mr. President, I wonder whether the Senator from Nebraska, with the assurance that a hearing will be held by the committee, will hold his amendment in abeyance until action one way or the other is taken by the committee.

Mr. BUTLER of Nebraska. I am glad to say that my attitude has never been otherwise than to be perfectly fair.

Mr. FERGUSON. I have always known the Senator to be fair.

Mr. BUTLER of Nebraska. It is agreeable, so far as I am concerned, to proceed with the proposal made by the distinguished chairman of the committee [Mr. MURRAY].

The ACTING PRESIDENT pro tempore. Does the Chair correctly understand that the Senator from Nebraska withdraws his amendment?

Mr. BUTLER of Nebraska. With the assurance that the committee will give consideration to the subject at an early date.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

SEVERAL SENATORS. Vote! Vote!

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill (S. 2639) was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 144) to give the Secretary of Commerce the authority to extend further certain charters of vessels to citizens of the Republic of the Philippines, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4645) for the relief of Mrs. Marguerite A. Brumell.

TREASURY AND POST OFFICE APPROPRIATIONS

The ACTING PRESIDENT pro tempore. The Senator from Washington [Mr. CAIN] is recognized in accordance with a previous order of the Senate.

Mr. McFARLAND. Mr. President, will the Senator from Washington yield in order that I may make a motion?

Mr. CAIN. Permit me, please, to say that the Senator from Washington has just had a conversation in the dining room with the Senator from Wisconsin [Mr. WILEY]. I am perfectly willing to yield for insertions in the RECORD, and for other interruptions, provided that as soon as possible we may, for the accommodation of the Senator from Wisconsin, who has guests downstairs, suggest the absence of a quorum.

Mr. McFARLAND. That is agreeable.

Mr. CAIN. Very well. I yield.

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 6854, making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1953, and for other purposes, so that it may be the unfinished business. We shall not take up the bill until Monday.

The motion was agreed to; and the Senate proceeded to consider the bill H. R. 6854, which had been reported from the Committee on Appropriations with amendments.

AMENDMENT OF DEFENSE HOUSING LAWS

Mr. MAYBANK. Mr. President, I ask unanimous consent to introduce, for appropriate reference, a bill to amend defense housing laws and for other purposes.

There being no objection, the bill (S. 3066) to amend defense housing laws and for other purposes, introduced by Mr. MAYBANK, was read twice by its title and referred to the Committee on Banking and Currency.

Mr. MAYBANK. Mr. President, in order that there may be adequate opportunity for study and discussions prior to the hearings now scheduled by the Committee on Banking and Currency from May 5 to May 9, I am today introducing the bill to amend the defense housing laws. To assist those interested in this subject, I ask unanimous consent that there be printed in the RECORD at the end of my remarks a section-by-section summary of the bill which I have introduced.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MAYBANK. Mr. President, as the Members of the Senate well know, over the past 4 years there have been few subjects to which the Committee on Banking and Currency has given more time, attention, and study than the subject of housing. Our committee has brought to the Senate for consideration a substantial body of housing legislation, and almost all of it has been enacted by the Congress.

We have thus established a sound legislative basis for a truly comprehensive national housing program. It is certainly fair to say that, largely as a result of this body of legislation, the level of home production has been raised to a million

units or more a year for each of the past few years. This year, in spite of the material shortages, the tight money market, and other difficulties resulting from our defense effort, I believe we will again achieve a level of home production of a million or more units.

The Members will recall that during the recess of the Congress our committee directed the staff to make a field study of the operations being carried out under this body of general housing legislation which has been enacted during the last 4 years. Preliminary reports of the results of this study have already been made available to the Members of the Senate. These preliminary reports clearly indicate that, on the whole, this general housing legislation is operating remarkably well.

Last year, however, due to the conflict in Korea and the resulting military and defense mobilization program, we were confronted with the special problem of defense housing and defense community facilities. That is by no means a simple problem. Our committee held extensive hearings on the proposed defense housing and community facilities legislation. After these hearings, we held seven or eight executive sessions on the bill, and the bill which we finally worked out was recommended to the Senate by the unanimous vote of our committee.

Since the enactment of that legislation, the main problem we have faced has been the lack of private financing for the defense housing which has been programed under that act. During almost all of last year, and continuing into the early part of this year, the private mortgage money market has been extremely tight. In addition, there has been an apparent reluctance on the part of major sources of permanent mortgage funds to finance this defense housing, even with the special and liberal FHA insurance aids which we made available for this purpose in the legislation enacted last year.

The Members will recall that, because of the urgency of the defense housing needs and the situation which then prevailed in the private mortgage money market, the legislation which we enacted last year included special provisions to permit the Federal National Mortgage Association to use up to $200,000,000 of its available funds to make advance commitments for the purchase of mortgages to finance defense housing. Up to this point the vast majority of the defense housing construction which has actually been started has been financed under this advance commitment authority.

There has not been any unwillingness on the part of the operative builders to undertake the construction of defense housing. This perfectly clear, because the applications by operative builders for programed defense housing exceed by three times the number of units allocated in the areas which thus far have been designated as critical defense housing areas. The principal difficulty obviously is due to the fact that an adequate supply of private capital for permanent mortgage loans for defense housing has not been forthcoming. Builders cannot obtain construction financing unless they can assure that upon the completion of the construction of the defense housing, permanent mortgage financing is available. With private sources of funds unwilling to make such permanent loans, the only way the builder can obtain the necessary assurance of permanent mortgage financing is by a bank or other mortgage lender obtaining from the Federal National Mortgage Association an advance commitment to purchase the permanent mortgage when construction of the housing is completed.

Earlier this year the Committee on Banking and Currency held extensive round-table hearings on mortgage financing. Representatives of major sources of permanent mortgage funds, of operative builders, and of appropriate Government agencies participated freely in these discussions.

The preponderence of the testimony during these hearings developed rather clearly the fact that the major sources of permanent mortgage funds would not be willing to make the money available for needed defense housing unless they were able to obtain advance commitments by the Federal National Mortgage Association for the purchase of those permanent mortgage loans. By and large, this position seemed to be taken by the major sources of permanent mortgage funds on the ground that they considered defense housing to be more risky from the standpoint of long-term marketability.

However, the testimony at these hearings, as well as my own personal observations and those of the committee staff's review of the housing program, indicate that there really was no sound basis for such a belief. The individual locality programs of defense housing seemed to be very much on the conservative side and much less risky, from the standpoint of long-term future marketability, than the war housing programs insured under title 6 of the National Housing Act during World War II where less than 1½ percent of all the mortgages insured went into default.

A few weeks ago, in speaking to the American Bankers Association at their annual conference in New York City, I said that this defense housing must be built and that the Congress would see to it that it is built. I indicated also that I was thoroughly convinced that the stringent situation which then prevailed in the supply of mortgage funds would progressively improve throughout this year, and would largely be behind us by this fall. I am glad to be able to say to the Members of the Senate that current trends in the availability of permanent mortgage funds bear out this prediction.

While the situation is improving, and while I am satisfied that it will continue to improve, the construction of much of the needed defense housing has already been delayed far too long, and it certainly cannot wait until this fall. Therefore, I have felt that we must go along with another authorization to the Federal National Mortgage Association to make advance commitments for the purchase of defense housing mortgages. I believe that it should be a temporary program and, at this time, it would certainly be my expectation that the Federal National Mortgage Association would not have to purchase all of the mortgages on which such advance purchase commitments are made. I say this because, while these commitments must be made now if we are to get defense housing construction started, it takes from 4 to 12 months to complete construction and have the mortgage ready for delivery. By that time, we have every reason to expect that the situation with respect to the supply of private mortgage funds will have progressively improved to the point where most of the major sources of private investment funds will be actively seeking to purchase these mortgages.

The bill which I have introduced today therefore provides for an increase of $1,300,000,000 in the present purchase authority of the Federal National Mortgage Association. This increase is to be available, until June 30, 1953, only for advance commitments on programed defense housing, military housing insured under the provisions of the Maybank-Wherry Act, and disaster housing. While the additional purchase authority is $1,300,000,000, the advance commitment authorization is set at $1,552,000,000 because of the $252,000,000 outstanding commitment authorization made by Public Laws 139 and 309, Eighty-second Congress.

In this connection, I want to call to the attention of the Members of the Senate the fact that, currently, the Federal National Mortgage Association has set aside about $360,000,000 for over-the-counter purchases of mortgages on similar types of housing programed during the period from March 1, 1951, to November 21, 1951. During this period, the Federal National Mortgage Association did not have any authority to make advance commitments to purchase such mortgages, and the "set-aside" of funds represented the maximum assistance which, under its existing authority, the Association could give to defense housing. All of the housing covered by the $360,000,000 balance of the "set-aside," irrespective of whether its construction has started, will be eligible to obtain from the Federal National Mortgage Association advance commitments under the authorization contained in the bill. This would mean, therefore, that $360,000,000 would be made available for over-the-counter purchases by the Federal National Mortgage Association of nondefense VA- or FHA-insured mortgages. In addition, other funds become available to the Association from repayments of mortgage loans held in the portfolio and from the sale of mortgages. Over the past months, of course, the volume of mortgages sold by the Association has not been great because of the tight mortgage money market. However, as the money market continues to improve sales should increase materially. Accordingly, with the other actions which I shall refer to shortly, the $360,000,000 being made available, along with repayments and proceeds from increased sales, should be adequate for over-the-counter purchases.

As the Members of the Senate know, because of the exhaustion of its funds,

the Federal National Mortgage Association on April 2 discontinued its over-the-counter purchases of mortgages. Prior to April 2 when its funds were exhausted, the great bulk of the over-the-counter mortgage purchases made by the Association, were for VA loans. My recollection is that, percentagewise, about 90 percent of the over-the-counter purchases were veterans' mortgages.

It should be borne in mind, Mr. President, that, from the very beginning of this year, the home building and financing industry was well aware of the fact that, by March or early April, the funds available to the Federal National Mortgage Association for over-the-counter purchases of such mortgages would be exhausted. This did not reduce the volume of VA loans. As a matter of fact, the indicators as to the volume of VA loans showed an increase. For example, during the first quarter of 1951, VA appraisal requests amounted to about 44,000 or an average of about 15,000 per month. In the first quarter of this year, however, VA appraisal requests amounted to about 74,000, or an average of about 25,000 per month—an increase of about 60 percent.

Moreover, it is perfectly apparent that, in terms of total housing starts, the fact that funds for over-the-counter purchases would soon be exhausted did not seriously curtail volume. As a matter of fact, in the first 3 months of this year, the construction of about a quarter of a million new homes has already been started the materials supply situation has improved, and the private mortgage money market, as I pointed out, Mr. President, is beginning to improve. As the private mortgage money market progressively improves throughout the year, as I am satisfied it will, we can, with confidence, look forward to continued high level production of housing this year.

Under these circumtsances, even though we may now provide Federal National Mortgage Association with $360,000,000 of additional funds for regular over-the-counter operations, I do not believe that the Association should automatically resume its over-the-counter purchase operations on a relatively unrestricted basis. So long as construction starts continue at a rate which indicates that we will maintain a level of new home production of 1,000,000 units or better this year, then, it seems to me, the Association should conserve the limited funds being made available for over-the-counter purchases. The Association now has full power to provide that it will only purchase mortgages on an over-the-counter basis at a discount of say, 1 or 2 percent in a period such as the present. It seems to me that such a policy may well prove to be a wise policy to follow. Generally speaking, I think it would provide an adequate outlet for distress cases and a "last resort" source for meeting legitimate liquidity needs.

I believe in giving credit where credit is due. Since the transfer of the Federal National Mortgage Association to the Housing Agency in 1950, the Housing and Home Finance Administrator has, in my judgment, done an extremely good job in the administration of the association. Its operations have been tightened up generally. Many of the earlier abuses, which the members of our committee and the Congress were so concerned about, have been corrected. Its activities have been closely coordinated with the housing functions and activities carried on within the Housing and Home Finance Agency—which, in my judgment, is exactly what our committee suggested and the Congress wanted.

In addition, I think it desirable to point out that, since its transfer to the Housing Agency, the annual administrative expenses of the association have been reduced by $2,000,000—almost a third below the level of such administrative expenses obtaining during the period immediately preceding its transfer. The Senators will also recall that, in a period of about a year immediately prior to its transfer to the Housing Agency, the Federal National Mortgage Association used up almost $2,000,000,000 of authorization for the purchase of mortgage loans. At the time of its transfer to the Housing Agency, the authorization available to the Federal National Mortgage Association amounted to only about $730,000,000. During the period since its transfer, we have had a private mortgage money market just about as tight as we have ever had. Yet, in spite of these facts, the available authorization has been carefully conserved. In all of this period of an extremely tight private mortgage money market, the Housing Administrator has carried out its operations without coming to the Congress for any additional authorization. It seems to me that this is a clear-cut example of the real value of the coordinating and supervisory powers which the Congress has placed in the Housing and Home Finance Administrator.

Perhaps I have devoted a disproportionate amount of time to the portion of the bill which deals with the Federal National Mortgage Association. I have done so because I know that so many of the Senators have been greatly concerned about this particular phase of the defense housing problem. Nevertheless, there are several other housing matters which require serious and immediate attention, and the bill deals with these matters also.

In addition to the increase in the authorization for the Federal National Mortgage Association, we have to meet the need for additional insurance authorization to carry out the home mortgage insurance operations of the Federal Housing Administration. For this purpose, the bill would provide $1,000,000,000 of new insurance authorization, and permit reallocations of existing authorizations of up to $1,600,000,000 for use, under the type of authorization which we included in last year's legislation, in connection with any title of FHA's operations where it may be needed.

To meet the need for increased authorizations for housing and community facilities under title III of the Defense Housing and Community Facilities and Services Act, which we passed last year, the bill would provide $200,000,000 additional authorization for housing and $100,000,000 additional authorization for defense housing and community facilities.

To provide for the continuation of the special housing program for Alaska, which we included in legislation enacted 2 years ago, the bill would provide $10,000,000 additional authorization.

In order to meet both general housing needs and defense housing needs in Guam, the bill provides for extending to Guam defense housing legislation as well as the legislation relating to the operations of the Federal Housing Administration and the Home Loan Bank Board.

Finally, to assist in meeting the needs for farm housing—which in many respects were neglected until our committee worked out the farm housing legislation in the 1949 Act—the bill would provide $2,000,000 additional contribution authority. As the Senators will recall, in the case of those 30-year farm loans which may be made under the 1949 act, where the farm eventually will be completely self-sustaining, but in the early period the farmer's income is not sufficient to repay both principal and interest on his loan, the contributions may be made in any of the first 5 years of the loan to the extent necessary, but not in excess in any 1 year of the annual installment of interest due on the loan and half of the principal payment due on the loan. The bill would also authorize the Congress to make available from time to time, as it sees fit, such additional funds as may be necessary for loans for farm housing and grants to aid minimum repairs and rehabilitation of farm homes.

The details of these proposed legislative changes are fully covered in the section-by-section summary of the bill, which I referred to at the outset of my remarks.

I shall only say in conclusion that since FNMA has been transferred to the Housing Authority, and since the other steps I have mentioned have been taken, there has been a saving of more than $2,000,000 on these operations. There is on hand a surplus in the so-called sinking funds of both the organizations which I have referred.

The only other subject I wish to mention, to which I have already alluded, is that Alaska and Guam are included on a mortgage basis, and at the same time there is provided increased authority for constructing facilities which are badly needed in the atomic areas of the State of the Senator from Kentucky [Mr. CLEMENTS], now presiding, the Senator from Washington [Mr. CAIN], and my own State, and in military establishments throughout the country.

EXHIBIT 1

HOUSING ACT OF 1952, SECTION-BY-SECTION SUMMARY

SECTION 1—FHA AUTHORIZATION

Section 217 of the National Housing Act, as amended (which was added by the Defense Housing and Community Facilities and Services Act of 1951) authorized an aggregate of $1,500,000,000 of additional mortgage obligations to be insured under the new defense housing title (title IX) of the National

Housing Act, and under older titles of that act. Authority to release the $1,500,000,000 additional FHA insurance authorization was vested in the President who could, within the total amount authorized, prescribe the amounts to be allocated to different titles of the act. All but $300,000,000 of this authority has been allocated.

Section 1 of this bill would amend section 217 in two particulars. It would provide $1,000,000,000 of additional FHA insurance authorization which could be allocated by the President to the various titles of the National Housing Act. It would also authorize the President to recapture any unused authorizations under some titles of the act and allocate them to other titles without thereby increasing the aggregate FHA authorization. Any amounts so allocated but unused could be reallocated to the original or another title. Thus, the President could allocate to title IX (or other title of the act) any unused amount of the $2,500,000,000 authorization provided in section 217 plus any unused parts of the authorizations provided in other titles.

Section 217, as it would be amended, would continue to be inapplicable to the FHA insurance authorization for modernization and repair loans under section 2 of the National Housing Act. Also, as is now provided by section 217, no authorization under any section of title VI (relating to World War II war and veterans' housing) may be increased by the President beyond present statutory limits.

SECTION 2—FNMA MORTGAGE PURCHASING AUTHORITY AND COMMITMENTS

Subsection (a) (1): Section 301 of the National Housing Act, as amended, authorizes the Federal National Mortgage Association (FNMA) to purchase Government-insured or guaranteed home mortgages if they are insured after "April 30, 1948," and meet certain other prescribed conditions. This subsection would change that date to February 29, 1952, with respect to the purchase of mortgages other than "defense or disaster mortgages," which are defined as mortgages (1) covering defense housing programed by the Housing and Home Finance Administrator in an area determined by the President or his designee to be a critical defense housing area, or (2) with respect to which the Federal Housing Commissioner has issued a commitment to insure pusuant to title VIII of this act, as amended, or (3) covering housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster. Except for these defense or disaster mortgages, and except for mortgages for which purchase commitments have been made, this subsection would thus make ineligible for FNMA purchase any mortgages which were insured or guaranteed prior to March 1, 1952.

This subsection would also repeal the provision in section 301 that no deposit or fee required or charged by FNMA for the purchase of a mortgage shall exceed 1 percent of the original principal obligation of such mortgage. The FNMA would thus be permitted in appropriate cases to charge deposits or fees in excess of that amount.

Subsection (a) (2): The FNMA is restricted generally (by section 301 of the National Housing Act) from purchasing mortgages from one lender in excess of 50 percent of all mortgages made by that lender which are otherwise eligible for purchase by FNMA. In accordance with the act, the base date of April 30, 1948, is used in computing this 50 percent. This subsection would change the base date to February 29, 1952, and thus require such 50 percent to be computed on the basis of mortgages insured or guaranteed after that date.

Subsection (a) (3): Certain mortgages insured under the National Housing Act and mortgages guaranteed under the Servicemen's Readjustment Act of 1944 are now expressly exempted by section 301 of the National Housing Act from the 50-percent limitation on FNMA purchases from any one lender, referred to above. This subsection would change section 301 so that exemptions from the 50-percent limitation would depend on whether the mortgages to be purchased are "defense or disaster mortgages" as defined above. The defense or disaster mortgages would include those insured or guaranteed under the various sections of the National Housing Act or the Servicemen's Readjustment Act of 1944, but only if they cover programed defense housing, military housing, or housing for victims of a catastrophe which the President has determined to be a major disaster.

Subsection (a) (4): Section 301 of the National Housing Act prohibits FNMA generally from entering into commitments to purchase mortgages which are not insured or guaranteed at the time of the commitment. However this section was amended to permit such commitments up to $252,000,000 outstanding at any one time if they related to defense or disaster mortgages as defined above. Subsection (a) (4) of the bill would increase by $1,300,000,000 the amount of commitments which could be outstanding with respect to defense and disaster mortgages, so that such total amount would be $1,552,000,000. No authority would be granted to enter into commitments to purchase other than defense or disaster mortgages, and the authority to enter into commitments with respect to defense and disaster mortgages would expire June 30, 1953.

Subsection (b): The present purchasing authority of FNMA is $2,750,000,000. This subsection would amend section 302 of the National Housing Act to increase this purchasing authority by $1,300,000,000 making a total authority of $4,050,000,000. However, not more than $2,750,000,000 (the present authorization) could be used for the purchase of mortgages other than defense or disaster mortgages.

SECTION 3—AUTHORIZATION FOR DEFENSE COMMUNITY FACILITIES AND FEDERAL DEFENSE HOUSING

Section 3 of the bill would amend section 313 of the Defense Housing and Community Facilities and Services Act of 1951 in two particulars. The authorization for federally aided or provided defense community facilities and services contained in title III of that act would be increased from $60,000,000 to $160,000,000. The authorization for Federal defense housing contained in title III of that act would be increased from $50,000,000 to $250,000,000.

SECTION 4—USE OF EXISTING FEDERALLY OWNED MASONRY HOUSING TO MEET DEFENSE NEEDS

This is a technical amendment to permit the Housing and Home Finance Administrator to transfer masonry temporary housing, built under the Lanham War Housing Act or similar acts, to meet temporary defense needs under the Defense Housing and Community Facilities and Services Act of 1951. Adequate authority in this regard exists with respect to such housing of frame construction. Section 5 of the bill would amend section 302 (b) of the 1951 act to permit "existing housing built or acquired by the United States under authority of other law" to be transferred for defense use under the act. A number of World War II temporary housing projects were of masonry construction notwithstanding the temporary need because of acute lumber shortages in particular localities during World War II.

SECTION 5—EXTENSION OF REMOVAL DATE FOR TEMPORARY WORLD WAR II HOUSING

This section would amend the Lanham Act (Public Law 849, 76th Cong., as amended) so as to permit the President to extend the December 31, 1952, date which is now prescribed in section 313 of that act for the removal of certain temporary war and veterans' housing under the jurisdiction of the Housing Administrator. As the law is now written, this housing must be removed by December 31, 1952, except where the Housing Administrator finds, after consultations with the local communities, that it is still needed. All such exceptions would have to be reexamined annually and reported to the Congress. The Congress has extended earlier removal dates from time to time, the December 31, 1952, date having been established by an amendment adopted in April 1950, several months before the outbreak of the Korean conflict. After the outbreak of the Korean conflict, in order to continue temporary housing in use for defense purposes, the Congress enacted section 611 of the Lanham Act, authorizing the President to extend a number of dates by which temporary housing must be vacated and either sold or removed. Section 5 of this bill would merely include the approaching December 31, 1952, deadline in the authority now contained in section 611.

Three types of temporary housing would be affected by this section. These include:

1. Veterans' reuse housing not relinquished or transferred to local bodies;
2. Temporary housing relinquished or transferred to local bodies subject to the removal requirements of section 313; and
3. Certain miscellaneous housing units expressly excepted by section 604 from the requirements of title VI of the Lanham Act for vacating and removing temporary housing.

SECTION 6—ALASKA HOUSING AUTHORIZATION

The Alaska Housing Act (Public Law 52, 81st Cong.) authorizes an appropriation of $15,000,000 to the Housing and Home Finance Administrator for the purchase, on a revolving basis, of bonds of the Alaska Housing Authority to provide funds for housing construction in the Territory. The Alaska Housing Authority utilizes the funds in making loans to private residential builders or, as a last resort, may undertake direct construction. Section 7 of the bill would increase the amount of the authorization in the Alaska Housing Act to $25,000,000.

SECTION 7—WAIVER OF FHA FEES ON CONVERSION OF APPLICATIONS FROM SECTION 608 TO SECTION 207

Under title VI of the National Housing Act, the title which provided special mortgage insurance aids for World War II housing and veterans' housing, a rental-housing mortgage may be insured under section 608 of the act only pursuant to a commitment to insure issued by the FHA on application filed on or before March 1, 1950. Some cases have arisen where the holders of such validly issued commitments have, with respect to the same project, made application to convert the section 608 commitment to insurance under section 207 of the act, which is the regular FHA rental housing mortgage insurance section. Technically, such a conversion of insurance with respect to the same project from section 608 to section 207 is regarded by the FHA as a new application for which the regular application fees must be paid, resulting in duplicate application fees for insurance on the same project. This amendment would merely permit the application fees already paid on account of an application for a section 608 project where the commitment has been issued by FHA to be credited toward the fees due for the section 207 application covering the same property or project.

SECTION 8—CANCELLATION OF HOUSING AGENCY NOTES TO TREASURY ON ACCOUNT OF LOSSES ON LOANS TRANSFERRED TO THE HOUSING AGENCY FROM RFC

Under Reorganization Plan No. 23 of 1950, a number of prefabricated housing loans made by the RFC were transferred to the

Housing and Home Finance Agency. The related RFC notes to the Treasury were canceled and the Housing Administrator issued a substitute note for the principal amount of the transferred loans plus accrued interest. At the time of the transfer a number of the loans were in default and many were not fully covered by collateral, so that the Housing Administrator's note to the Treasury was in excess of the recovery value of the transferred loans. A book reserve of $7,777,104 for losses on account of the transferred loans was established at the time of the transfer but no reserve funds were actually transferred to the Housing Administrator. The actual process of foreclosing on or liquidating some of the loans indicates that the actual losses on account of the transferred loans will not exceed about $8,000,000.

Section 8 of this bill would direct the Secretary of the Treasury to cancel the Housing Administrator's note or notes to the extent of such actual net losses on account of the transferred loans.

SECTION 9—EXTENSION OF FEDERAL HOUSING LAWS ON GUAM

The Organic Act for Guam, approved August 1, 1950, had the effect of changing the status of the island from that of a possession of the United States under a naval governor to that of an unincorporated territory with its own civilian government. Natives of Guam were made American citizens. However, many of the laws of the United States applicable to the States and other territories are not applicable to Guam. To study this subject the President last year appointed a Commission on the Applicability of the Federal Laws to Guam, which rendered its report and recommendations on July 31, 1951 (H. Doc. No. 212). It recommended, among other things that the National Housing Act and other Federal laws pertaining to housing be made applicable to Guam. Section 9 of this bill would carry out that recommendation.

Paragraph (a) of section 9 extends the provisions of the National Housing Act to Guam, thereby permitting the Federal Housing Administration, the Federal Savings and Loan Insurance Corporation, and the Federal National Mortgage Association to extend their programs to the territory. Paragraph (a) would also permit the Federal Housing Commissioner to increase the statutory mortgage limits for FHA mortgage insurance purposes by one-half in Guam in the same manner as such limits may now be increased in Alaska.

Paragraph (b) would amend the Home Owners' Loan Act of 1933, as amended, to permit Federal savings and loan associations to be organized and assisted in Guam.

Paragraph (c) would permit the Federal Home Loan Bank System to operate in Guam.

Paragraph (d) would extend to Guam title IV of the Defense Housing and Community Facilities and Services Act of 1951 (sites for isolated defense installations).

Paragraph (e) would extend to Guam the defense prefabricated loan provisions which were added to the Housing Act of 1948 by the Defense Housing and Community Facilities and Services Act of 1951.

SECTION 10—FARM HOUSING

This section would amend title V of the Housing Act of 1949 (Public Law 171, 81st Cong.) to extend and place on a permanent basis the farm housing assistance originally authorized in title V of that act.

Subsection (a) would amend section 511 of the Housing Act of 1949 to provide the necessary basic authority for the continuation of the loans for farm housing and other farm buildings authorized by title V of that act. Section 511 as originally enacted authorized the Secretary of Agriculture to borrow from the Secretary of the Treasury such sums as the Congress might determine for the purpose of making loans under title V of certain specified amounts on and after July 1, 1949, July 1, 1950, July 1, 1951, and July 1, 1952. There is no provision constituting such authority after the fiscal year 1953 for additional loans for farm housing and other farm buildings. The amendment in subsection (a) to section 511 would provide such authority.

Subsection (b) would add a provision to section 512 of the Housing Act of 1949 to make the authority of the Secretary of Agriculture to enter into contribution agreements permanent legislation. In connection with the loans for housing and buildings on potentially adequate farms made under section 503 of the Housing Act of 1949, the Secretary of Agriculture is authorized to make commitments for contributions, in the form of credits on borrowers' notes, under certain specified conditions. This authority is described in terms of authority to execute contribution agreements aggregating not to exceed certain specified amounts on and after July 1, 1949, and July 1 of each of the years 1950, 1951, and 1952, respectively. There is no authorization to enter into agreements after the fiscal year 1953 for contributions in connection with section 503 loans. The proposed amendment would make the authority for contribution agreements permanent legislation.

Subsection (c) would add a provision to section 513 of the Housing Act of 1949 to provide continuing authority for appropriations to the Secretary of Agriculture in order to provide funds to the Secretary for repayment of his obligations to the Secretary of the Treasury issued under authority of section 511 of the act. Section 513 of the Housing Act of 1949 constitutes the basic authority for appropriations to the Secretary of Agriculture when necessary to match the credits made on borrowers' notes under section 503 so that the Secretary of Agriculture will be in a position to repay his obligation to the Secretary of the Treasury on borrowings under section 511 of the Housing Act of 1949. Section 513 also authorizes the appropriations of certain specified sums for grants and loans for minor improvements under section 504 (a) of the Housing Act of 1949 and for loans for enlargement and development of farms under section 504 (b). This authorization is limited to specific amounts for the fiscal years 1950, 1951, 1952, and 1953. There is no authority for appropriations for the purposes of section 513 after the fiscal year 1953. Subsection (c) would provide such basic authority.

The provision in clause (c) of section 513 of the Housing Act of 1949, for such further appropriations as may be necessary, covers only administrative expenses, technical services, and research, but it is in the nature of permanent authorization for annual appropriations for such purposes and needs no extension.

EFFICIENCY OF CIVIL-SERVICE RETIREMENT SYSTEM

Mr. JOHNSTON of South Carolina. Mr. President, at this time I wish to refer to a particular instance of economical, effective management that has been called to my attention.

I think the Senate will be interested in hearing about what can be accomplished in the executive branch when the workers and the supervisors team up in attaining a common objective.

I refer to the administration of the civil-service retirement system in the Civil Service Commission. The facts, taken from official records, clearly demonstrate what can be done toward reducing costs.

The table which I shall ask unanimous consent to have printed in the RECORD at the end of my remarks shows that in every item of work, by consistent, conscientious effort, the tasks today require less expenditure of time than in 1947. This means a real saving to taxpayers.

Actually, if the Civil Service Commission processed the 1951 volume of work at the 1947 rate of efficiency, the Congress would have had to appropriate nearly a half million more dollars last year than it actually did appropriate. This represents tangible savings.

This record has been achieved without sacrificing service to claimants. In fact, today the service is far superior to that of 1947.

I put this record before the Senate that Senators may know how truly impressive it is. I hope it will also serve as an inspiration to others in the Federal service.

I wish to commend the personnel in the retirement division of the Civil Service Commission who are engaged in processing retirement claims. Their willingness to put their shoulders to the wheel, to do a better job and at reduced expense to the taxpayers, is the kind of spirit we sorely need in Government today.

I have said on many occasions that in my humble opinion, Warren Irons, head of this division, is one of the most able and efficient administrators in Government today. His record, cited here today, bears me out.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a table entitled "Administration of the Civil Service Retirement Act in the United States Civil Service Commission."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Administration of the Civil Service Retirement Act in the U. S. Civil Service Commission

Item	Fiscal year 1951 [1]	Fiscal year 1947 [1]	1947 costs adjusted for 1949 pay scale	Annual savings resulting from improved efficiency of $473,000
1. Number of employees in the Civil Service Commission engaged in the administration of the Retirement Act.	352	708	----------	
2. Actual expenditures for personal services in the Civil Service Commission for administration of the Retirement Act.	$1,334,000	$1,929,000	----------	

Footnote at end of table.

Administration of the Civil Service Retirement Act in the U. S. Civil Service Commission—Continued

Item	Fiscal year 1951 [1]	Fiscal year 1947 [1]	1947 costs adjusted for 1949 pay scale	Annual savings resulting from improved efficiency of $478,000
3. Cost of processing a claim filed by a retiring employee for annuity or a claim filed by a survivor for death benefits.	$7.22	$9.00	$10.08	To process 1951 volume of 47,500 claims at 1947 adjusted cost of $10.08 would require an annual additional appropriation of $99,000.
Number of these claims for annuity and death benefits processed	47,500	51,000		
4. Cost of processing a claim filed by an employee to obtain credit for past service or to determine amount due the fund for unpaid retirement deductions.	$3.44	$6.67	$7.74	To process 1951 volume of 28,000 claims at 1947 adjusted cost of $7.74 would require an annual additional appropriation of $120,000.
Number of these claims for service credit processed	28,000	11,000		
5. Cost of processing a claim filed by a separated employee for a refund of retirement deductions.	$0.74	$0.65	$0.79	To process 1951 volume of 183,000 claims at 1947 adjusted cost of $0.79 would require an annual additional appropriation of $9,000.
Number of these claims for refund of retirement deductions processed.	183,000	926,000		
6. Cost of answering an inquiry about the Retirement Act generally or on a specific claim.	$0.91	$1.25	$1.47	To answer 1951 volume of 206,000 inquiries at 1947 adjusted cost of $1.47 would require an annual additional appropriation of $115,000.
Number of these inquiries answered	206,000	213,000		
7. Cost to maintain an annuitant on the roll to receive an annuity check each month. This includes entering him on the roll, authorizing disbursements monthly, changing addresses, dropping from roll upon death, etc.	$0.35	$0.70	$0.83	To maintain 1951 volume of 187,000 annuitants on roll at 1947 adjusted cost of $0.83 would require an annual additional appropriation of $90,000.
Number of individuals on the rolls to receive checks monthly	187,000	111,000		
8. Passage of Commission-sponsored Public Law 547 on June 14, 1950, eliminated the need for the processing and maintenance of a huge volume of designations of beneficiary.	$0	$0.15	$0.18	To process 1947 volume of designations of beneficiary at 1947 adjusted cost of $0.18 would require an annual additional appropriation of $45,000. Total, $478,000.

Item	Fiscal year 1951 [1]	Fiscal year 1947 [1]
9. Average number of work days elapsed between date claim is received in Commission and date benefit check is authorized:		
(a) Claims for annuities filed by retiring employees ... days	18	40
(b) Claims for death benefits filed by survivors ... do	17	44
(c) Claims for refund of deductions filed by separated employees ... do	10	20
The number of work days elapsed is a yardstick for measuring service to claimants. Minimum elapsed days reduces hardship to claimants. Eliminates unnecessary correspondence as well as complaints to Members of Congress.		
10. Total disbursements authorized by Commission from retirement fund for payment of:		
(a) Annuities to retired employees	$185,000,000	$101,000,000
(b) Death benefits	19,000,000	14,000,000
(c) Refund of deductions to separated employees	65,000,000	179,000,000

[1] Volumes and money figures extracted from actual experience as reflected in requests for appropriations.

THE RECORD OF SENATOR WILEY

Mr. CAIN obtained the floor.

Mr. WELKER. Mr. President, will the Senator yield to me in order that I may make a unanimous consent request?

Mr. CAIN. Certainly; I yield.

Mr. WELKER. I ask unanimous consent that, without the Senator from Washington losing the floor. I may suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). The Chair hears no objection; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELKER. Mr. President, I ask unanimous consent that the order for the quorum call be vacated, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAIN. Mr. President, a person for whom I have a substantial measure of admiration and regard stands presently in the position of being seriously misunderstood by some of his associates in the Senate as well as by many citizens. I seek to explain away and straighten out this misunderstanding. The person to whom I make reference is the senior Senator from Wisconsin [Mr. WILEY].

I approach my undertaking with care and caution, but with real conviction as well. I am undertaking this effort not merely because the senior Senator from Wisconsin is a personal friend, but because he is acknowledged to be an important public person. The senior Senator from Wisconsin is at present the ranking minority member of the Senate Foreign Relation Committee, and should my party secure control of the Senate next November he is likely to become the chairman of the Foreign Relations Committee. In his present capacity or in the assignment which he may fill in the future, he speaks with authority and influence. As a Member of the Senate and as a member of his party, it becomes important to me that I understand more fully the senior Senator from Wisconsin. Having been closely associated with him in public matters and problems of the past, I do not believe that anything I now say will alienate what has been an exceedingly warm and congenial relationship since first I came to the Senate some 6 years ago.

The cause of my concern was an editorial which appeared in the Washington Times-Herald this morning. Its title reads: "Acheson's Man Wiley." I shall read the editorial in its entirety. It reads as follows:

ACHESON'S MAN WILEY

It isn't often that a United States Senator can manage in one speech to endanger his country, betray the voters of his State, and imperil his party, but Senator WILEY, of Wisconsin, managed to do all these things in the course of his address on Saturday before the American Society of Newspaper Editors here.

Mr. WILEY is the senior Republican member of the Senate's Foreign Relations Committee. If the Republicans carry the Senate in November, he will be chairman of the committee. If they win the Presidency, he will or should be the official spokesman for the new President. It was Mr. WILEY's purpose to show that, regardless of what may happen in November, he will remain as he has been, an Acheson man. Even if Mr. Acheson is no longer Secretary of State, Mr. WILEY will continue to keep the Acheson policies alive to the best of his inability.

Of course, Mr. WILEY didn't put this thought in words. He was careful to say that he didn't wholly agree in every partiular with the Truman foreign policy, but he made it clear that in major matters he was a Truman Republican and an Acheson stooge. Even the Democrats and the New Deal Republicans in his audience found it difficult to believe their ears or perhaps were only embarrassed at the Senator's political display. They applauded so sparingly that Mr. WILEY interjected an occasional appeal to the Democrats to express their approval more emphatically, and even then the applause was scanty.

Mr. WILEY endangered his country by inviting more wars and more tax burdens. He betrayed the voters of his State by taking a position directly contrary to that expressed by the Republicans of Wisconsin a fortnight before. He imperiled his party nationally by advertising that, so far as he is concerned, a victory for his party in November will accomplish nothing that the people hope may be accomplished by a Republican sweep.

In the circumstances, it was hardly remarkable that Mr. Acheson, who spoke immediately after Mr. WILEY, opened his remarks with a glowing tribute to the Senator. Naturally Mr. WILEY showed himself to be a Truman Republican and an Acheson stooge. Why shouldn't Mr. Acheson regard him as a stateman? Mr. WILEY glowed with pleasure. His fellow citizens recall that Mr. Acheson also had the kindliest feelings toward Alger Hiss, another expert in betrayal.

The first point I seek to make is that this editorial inclines me strongly to believe that we are confronted with a case of mistaken identity. It obviously does not seem possible to me that the Senator from Wisconsin [Mr. WILEY], whom I well know, could possibly have been the Mr. WILEY to whom the Times-Herald editorial made such strong reference. Because of my natural concern, I sought, through going into the morgue of the

Digest of CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 15, 1952
For actions of May 14, 1952
82nd-2nd. No. 82

CONTENTS

HIGHLIGHTS: Senate debated immigration bill. House committee ordered reported education and loan-guarantee bill for Korea veterans. Senate committee ordered reported bills to permit USDA airports near national forests and continue rural-housing program.

SENATE

1. IMMIGRATION. Continued debate on S. 2550, to revise the immigration and naturalization laws (pp. 5233-65, 5268-9).

2. HOUSING. The Banking and Currency Committee ordered reported (but did not actually report) S. 3066, to amend the defense housing laws. The bill, as amended by the Committee, would extend the authorization for the rural-housing program for 1 year instead of making it permanent, as provided by the original version of the bill. (p. D452.)

3. FORESTRY. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) S. 2229, to authorize this Department to acquire, construct, operate, and maintain public airports near national forests (p. D452).

4. HAWAII STATEHOOD. Sen. Knowland spoke in favor of S. 49, to provide statehood for Hawaii (p. 5233).

5. COLUMBIA BASIN. Sen. Cain commended the development of the Columbia River Basin in connection with the water festival which is to be held there this month (pp. 5266-7).

HOUSE

6. VETERANS' BENEFITS. The Veterans' Affairs Committee ordered reported (but did not actually report) H. R. 7656, the Korean veterans' G. I. bill. This bill provides for education and training allowances of $110 (without dependents) and $150 monthly (with dependents) with a maximum of 3 years. It also guarantees home loans on the same basis as for World War II veterans and gives a 1-year warranty to the veteran purchaser. A $160-a-month credit for social security purposes is also provided as well as mustering-out pay ranging from $100 to $300 based on length and type of service. (p. D455.)

BILL INTRODUCED

7. PUBLIC LANDS. H. R. 7854, by Rep. Miller, Calif., to prohibit hunting, trapping, and fishing on public lands in violation of State or Territorial laws; to

Merchant Marine and Fisheries Committee (p. 5274).

BILL APPROVED BY THE PRESIDENT

8. FORESTS. H. R. 4765, granting the consent and approval of Congress to the participation of certain Provinces of Canada in the Northeastern Interstate Forest Fire Protection Compact. Approved May 13, 1952 (Public Law 340, 82nd Cong.).

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COMMITTEE HEARING ANNOUNCEMENTS for May 15: Soil-conservation and flood-prevention proposal, H. Agriculture (ex.). Defense Production Act extension, H. Banking. Civil-works study, H. Public Works. Personnel-recruitment system, H. Civil Servic Reclamation projects in Alaska and Nebr., H. Interior. Foreign aid, H. Rules. Interior and Army-civil functions appropriations, S. Appropriations (ex).

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 105A.

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 19, 1952
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CONTENTS

HIGHLIGHTS: Senate committee reported bill to continue rural-housing program. Senate debated immigration bill. House committee reported Ft. Reno land transfer bill. Rep. McCormack inserted President's speech at USDA honor awards program. House received appropriation estimate for USDA flood rehabilitation.

SENATE

1. HOUSING. The Banking and Currency Committee reported with amendments S. 3066, to authorize additional appropriations for housing (S. Rept. 1582). Chairman Maybank explained the bill and inserted a compilation showing the language changes in existing law. The bill extends the rural-housing program for 1 additional year and authorizes appropriation of $100,000,000 for loans, $2,000,000 for contributions, and $10,000,000 for special loans and grants to carry out this program. The bill also includes additional authorizations for FHA insurance, community facilities, direct defense housing, Alaska housing, etc. (pp. 5360-6.)

2. IMMIGRATION. Continued debate on S. 2550, to revise the immigration and naturalization laws (pp. 5401-9, 5413-21).

3. RUBBER. Passed with amendments H. R. 6787, to extend the Rubber Act of 1948. The House version extends the Act for 2 years, and the Senate version extends it for 1 year. Senate conferees were appointed. (p. 5401.)

4. NOMINATION. The Banking and Currency Committee favorably reported the nomination of Henry H. Fowler to be Defense Production Administrator (p. 5422).

5. EXPENDITURES; PRICE CONTROL. Sen. Robertson spoke in favor of economy in Government expenditures and price-wage control (p. 5388).

6. RECLAMATION. Received from the Interior Department a proposed bill to authorize the Eklutna project, Alaska; to Interior and Insular Affairs Committee (p. 5360).

7. TRADE AGREEMENTS. Received the Tariff Commission's annual report on operations under the trade-agreements law (p. 5380).

8. RECESSED until Mon., May 19 (pp. 5422-3).

HOUSE

9. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 1631, to transfer Ft. Reno lands to Indians (H. Rept. 1935)(p. 5479).

10. VETERANS' BENEFITS. The Veterans' Affairs Committee reported with amendment H. R. 7656, the Korean veterans' G. I. bill. See Digest 82 for provisions. (H. Rept. 1943.)(p. 5479.)

11. SOCIAL SECURITY. The Ways and Means Committee reported with amendment H. R. 7800, to increase old-age and survivors' insurance benefits and to increase the amount of earnings permitted without loss of social security benefits (H. Rept. 1944)(pp. 5478-80).

12. APPROPRIATIONS. Received a $20,000,000 budget estimate for the fiscal year 195[illegible] for flood rehabilitation by SCS and PMA (H. Doc. 469)(p. 5479).

13. HONOR AWARDS. Rep. McCormack inserted President Truman's address at USDA's 6th annual honor awards program (pp. 5474-5).

14. ADJOURNED until Mon., May 19 (p. 5479). LEGISLATIVE PROGRAM for this week, as announced by the Majority Leader: Mon., consent calendar, social security, mineral leasing; Tues., private calendar, urgent deficiency appropriation bill, and possibly mutual security bill; balance of week, mutual security bill (p. 5470).

BILLS INTRODUCED

15. EXPENDITURES; TAXATION. S. J. Res. 155, by Sen. Taft (for himself and Sen. Ferguson), to limit Government expenditures, other than for military activities and interest on the public debt, to 5% of the national income; to Judiciary Committee. Remarks of Sen. Taft. (pp. 5410-11.)

16. BUDGETING. H. R. 7888, by Rep. Colmer, to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to Rules Committee (p. 5480).

17. POSTAL RATES. H. R. 7889, by Rep. Hagen, to exempt publications of religious, educational, scientific, philanthropic, agricultural, labor, veterans, and fraternal organizations or associations from the minimum rate of postage prescribed by law for each individually addressed copy of publications entered as second-class matter; to Post Office and Civil Service Committee (p. 5480).

18. CONSTRUCTION CONTRACTS. H. R. 7891, by Rep. Lane, to prescribe policy and procedure in connection with construction contracts made by executive agencies; to Judiciary Committee (p. 5480).

19. PRICE SUPPORTS. H. R. 7893, by Rep. Mansfield, to amend the Agricultural Act of 1949; to Agriculture Committee (p. 5480). Remarks of author (pp. A3168-9.)

Calendar No. 1510

82d Congress, 2d Session | SENATE | Report No. 1582

HOUSING ACT OF 1952

May 16 (legislative day, May 12), 1952.—Ordered to be printed

Mr. Maybank, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany S. 3066]

The Committee on Banking and Currency, to whom was referred the bill (S. 3066) to amend defense housing laws, and for other purposes, having considered the same, report favorably thereon, with amendments, and unanimously recommend that the bill, as amended, do pass.

I. Introductory Statement

This bill would provide increases in authorizations and other changes in existing law which are necessary to carry out effectively the Defense Housing and Community Facilities and Services Act of 1951. That act was designed to assist the provision of housing and community facilities and services required to meet the needs of in-migrant defense workers and military personnel in critical defense housing areas. The amounts of the increases in the dollar authorizations provided in the bill as introduced and as reported by your committee are as follows:

Authorization	Increase in bill as introduced	Increase in bill as reported
1. For FHA mortgage insurance	$1,000,000,000	$400,000,000
2. For FNMA purchases and commitments	1,300,000,000	900,000,000
3. For defense housing appropriation	200,000,000	50,000,000
4. For community facilities and services appropriation	100,000,000	40,000,000
5. For Alaska housing loan appropriation	10,000,000	5,000,000
Total	2,610,000,000	1,395,000,000

Your committee has thus reduced these authorizations by almost 50 percent. It has also reduced an unlimited authorization in the bill for farm housing assistance to an additional 1-year authorization at the current annual dollar amounts provided in existing law. Your

committee firmly believes that these reductions represent the maximum amounts which can be made consistent with meeting urgent defense needs in critical defense housing areas. The increased authorizations should be adequate, however, to continue the programs involved until the Eighty-third Congress has an opportunity to review the need for further authorizations.

II. General

Since the enactment of the Defense Housing and Community Facilities and Services Act of 1951, the principal problem in providing housing for defense workers has been the lack of private financing. There has been a general shortage of private mortgage money for housing. Also, there has been an apparent reluctance on the part of major sources of permanent mortgage funds to finance this housing in critical defense areas, even with the special and liberal FHA mortgage insurance aids provided in the 1951 act.

Recognizing the importance of this problem to defense production and military installations throughout the country, your committee held extensive round-table hearings on mortgage financing earlier this year, attended by representatives of major sources of permanent mortgage funds, of operative builders, and of Government agencies. The testimony presented at these hearings clearly developed the fact that the major sources of permanent mortgage funds would not be willing to make the money available for needed defense housing unless they were able to obtain advance commitments by the Federal National Mortgage Association for the purchase of the permanent mortgage loans involved. This position seemed to be based on the assumption that investment in the needed defense housing is more risky from the standpoint of long-term marketability. Your committee does not believe that the evidence presented supported that position. However, your committee is firmly convinced that if our urgently needed defense housing is to be built, and built by private enterprise in time to meet defense requirements, the FNMA must be authorized to make advance commitments for the purchase of mortgages on such housing.

Recent actual experience with programed defense housing confirms our conclusion reached at the round-table conference that FNMA advance commitments are now essential to the construction of most of such housing. The 1951 act permitted advance commitments of up to $200,000,000 for this housing in view of the urgency of the defense housing need and the situation already existing in the private mortgage money market. The use of this commitment authority produced the bulk of the limited amount of defense housing on which construction has started. Construction has started on only about 16,500 of the approximately 80,000 units of defense housing already programed. Advance commitments under the 1951 act have covered about three-fourths of all the units under construction. With sufficient advance commitments, there is no question but that the needed defense housing can be provided. Builders are anxious to undertake the construction if financing is available, as shown by the fact that applications of builders for programed defense housing have exceeded by three times the number of programed units.

In addition to the need for further FNMA authorizations and certain modifications in the FNMA program, we have to meet the

need for an additional insurance authorization to carry out the home mortgage insurance operations of the Federal Housing Administration, particularly for defense, Maybank-Wherry Act, and disaster housing. Further legislative authority and changes are also needed for housing and community facilities under title III of the 1951 Housing Act; for Alaska defense housing loans; for the farm housing program under title V of the Housing Act of 1949; and for housing in Guam. Provisions of the bill to meet these needs and other minor provisions are explained in detail in the section-by-section explanation below.

Your committee in its action on the extension of the Defense Production Act rejected an amendment to remove existing restrictions on residential credit. This action conforms with the objective of this bill. It was concluded by your committee that such action would be undesirable for the time being. Freeing all home mortgage credit from control would remove one of the existing incentives for making the limited supply of mortgage money available for construction in critical defense housing areas. It would also permit the limited amount of available private funds to be used to a greater extent in the vicinity of major sources of private credit, thus making it more difficult to finance home construction in rural areas and in communities which are distant from the larger financial centers.

III. Section-by-Section Explanation

Section 1. Short title

"Housing Act of 1952."

Section 2. FHA authorization

Section 217 of the National Housing Act, as amended (which was added by the Defense Housing and Community Facilities and Services Act of 1951), authorized an aggregate of $1½ billion of additional mortgage obligations to be insured under the new defense housing title (title IX) of the National Housing Act, and under older titles of that act. Authority to release the $1½ billion additional FHA insurance authorization was vested in the President who could, within the total amount authorized, prescribe the amounts to be allocated to different titles of the act. All but $300,000,000 of this authority has been allocated.

Section 2 of this bill, as reported, would amend section 217 in two particulars. It would provide $400,000,000 of additional FHA insurance authorization which could be allocated by the President only to future mortgages (insured by the FHA after June 30, 1952) covering defense, military, and disaster housing. It would also authorize the President to recapture any unused authorizations under some titles of the act and allocate them to other titles without thereby increasing the aggregate FHA authorization. Any amounts so allocated but unused could be reallocated to the original or another title. Thus, the President could allocate to title IX (or other title of the act) any unused amount of the present $1½ billion authorization provided in section 217 plus any unused parts of present authorizations provided in other titles.

Section 217, as it would be amended, would continue to be inapplicable to the FHA insurance authorization for modernization and repair loans under section 2 of the National Housing Act. Also, as

is now provided by section 217, no authorization under any section of title VI (relating to World War II war and veterans' housing) may be increased by the President beyond present statutory limits.

Section 3. FNMA mortgage purchasing authority and commitments

Subsection (a) (1).—Section 301 of the National Housing Act, as amended, authorizes the Federal National Mortgage Association (FNMA) to purchase Government-insured or guaranteed home mortgages if they are insured after "April 30, 1948," and meet certain other prescribed conditions. This subsection would change that date to February 29, 1952, with respect to the purchase of mortgages other than "defense or disaster mortgages," which are defined as mortgages (1) on defense housing programed by the HHFA Administrator in an area determined by the President or his designee to be a critical defense housing area, or (2) with respect to which the Federal Housing Commissioner has issued a commitment to insure pursuant to title VIII of the National Housing Act, or (3) covering housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster. Except for these defense or disaster mortgages, and except for mortgages for which purchase commitments have been made, this subsection would thus make ineligible for FNMA purchase any mortgages which were insured or guaranteed prior to March 1, 1952.

This subsection would also repeal the provision in section 301 that no deposit or fee required or charged by FNMA for the purchase of a mortgage shall exceed 1 percent of the original principal obligation of such mortgage. The FNMA would thus be permitted in appropriate cases to charge deposits or fees in excess of that amount. This authority is needed to provide for flexibility in setting fees or charges for non-defense-mortgage purchases whenever it may be necessary to take additional action to further prevent unnecessary use of the Government secondary market.

The committee amendments in subsection (a) (1) are merely to perfect the language of the subsection.

Subsection (a) (2).—The FNMA is restricted generally (by sec. 301 of the National Housing Act) from purchasing mortgages from one lender in excess of 50 percent of all mortgages made by that lender which are otherwise eligible for purchase by FNMA. In accordance with the act, this 50 percent is computed on the basis of mortgages insured or guaranteed after April 30, 1948. This subsection would change the base date to February 29, 1952.

Subsection (a) (3).—Certain mortgages insured under the National Housing Act and mortgages guaranteed under the Servicemen's Readjustment Act of 1944 are now expressly exempted by section 301 of the National Housing Act from the 50-percent limitation on FNMA purchases from any one lender. This subsection would change section 301 so that exemptions from the 50-percent limitation would depend on whether the mortgages to be purchased are "defense or disaster mortgages" as defined above. (See explanation of subsection (a) (1).) The defense or disaster mortgages would include those insured or guaranteed under the various sections of the National Housing Act or the Servicemen's Readjustment Act of 1944, but only if they cover programed defense housing, military housing, or housing for victims of a catastrophe which the President has determined to be a major disaster;

Subsection (a) (4).—Section 301 of the National Housing Act prohibits FNMA generally from entering into commitments to purchase mortgages which are not insured or guaranteed at the time of the commitment. However, this section was amended by the Congress to permit such commitments up to $252,000,000 outstanding at any one time if they related to defense or disaster mortgages as defined above. Subsection (a) (4) of the bill, as reported, would increase by $900,000,000 the amount of commitments which could be outstanding with respect to defense and disaster mortgages, so that such total amount would be $1,152,000,000. No authority would be granted to enter into commitments to purchase other than defense or disaster mortgages, and the authority to enter into commitments with respect to defense and disaster mortgages would expire June 30, 1953.

Subsection (b).—The present purchasing authority of FNMA is $2,750,000,000. This subsection, as reported, would amend section 302 of the National Housing Act to increase this purchasing authority by $900,000,000 making a total authority of $3,650,000,000. However, not more than the present authorization could be used for the purchase of mortgages other than defense or disaster mortgages.

Section 4. Authorization for Defense Community Facilities and Federal Defense Housing

Section 4 of the bill, as reported, would amend section 313 of the Defense Housing and Community Facilities and Services Act of 1951 in two particulars. The authorization for federally aided or provided defense community facilities and services contained in title III of that act would be increased from $60,000,000 to $100,000,000. The authorization for Federal defense housing contained in title III of that act would be increased from $50,000,000 to $100,000,000.

A. *Defense community facilities.*—The additional authorization for community facilities represents the minimum amount which your committee felt should be authorized at this time for Federal loans and grants to critical defense localities for such essential facilities as water and sewer lines, water and sewage-treatment plants, hospitals, streets, and fire-protection facilities. Water and sewer facilities including treatment plants, predominate in this program. The aid is furnished only where the need is defense-caused and only where the locality would otherwise be unable to provide the facilities. Full use is made of existing facilities and the Congress has provided safeguards to preserve local control and operation.

Unless this type of aid is furnished, defense activities will be hindered and defense housing construction delayed. Your committee has found that the inability of local defense communities to provide such facilities is an obstacle to the provision of housing by private enterprise.

B. *Defense housing.*—The additional authorization of $50,000,000 recommended by your committee for housing to be provided in critical defense housing areas under title III of the 1951 act likewise represents the minimum amount which your committee felt should be authorized at this time. This sum represents a 75-percent cut below the amount requested. However, your committee felt that the extent of the need could be reexamined in the next Congress.

The housing is provided only where it is clear that there is a vital defense need, and only where the need is temporary or where private

enterprise, after being given adequate opportunity to build, is unable to provide the housing even with the liberal Federal aids provided by law for private defense housing. The military activities to be served by this program include air bases, training camps, navy yards, arsenals, ordnance plants, ammunition depots, and ports of embarkation. The private defense industries include shipyards, aircraft manufacturing plants, railroad port facilities, power production, copper and cobalt mines and smelting facilities, and similar defense activities.

As your committee stated in its report on the legislation which originally authorized this program:

> To expect all needed defense housing to be provided without any recourse to the authorizations provided by title III would be completely unrealistic. Action under this title must be justified solely in terms of the defense program and as an integral part of that program. Where so justified it seems obvious to your committee that such action must be taken.

Section 5. Use of existing federally owned masonry housing to meet defense needs

This is a technical amendment to permit the Housing and Home Finance Administrator to transfer masonry temporary housing, built under the Lanham War Housing Act or similar acts, to meet temporary defense needs under the Defense Housing and Community Facilities and Services Act of 1951. Adequate authority in this regard exists with respect to such housing of frame construction. Section 5 of the bill would amend section 302 (b) of the 1951 act to permit "existing housing built or acquired by the United States under authority of other law" to be transferred for defense use under the act. A number of World War II temporary housing projects were of masonry construction notwithstanding the temporary need because of acute lumber shortages in particular localities during World War II.

Section 6. Extension of removal date for temporary World War II housing

This section provides for a technical amendment to the Lanham Act (Public Law 849, 76th Cong., as amended) to permit the President to extend the December 31, 1952, date which is now prescribed in section 313 of that act for the removal of certain limited classes of temporary war and veterans' housing under the jurisdiction of the Housing Administrator. Authority has already been granted to extend this date with respect to the bulk of the temporary war and veterans' housing, but apparently through inadvertence these limited classes of housing were omitted from that authority. As the law is now written, this housing must be removed by December 31, 1952, except where the Housing Administrator finds, after consultations with the local communities, that it is still needed. All such exceptions would have to be reexamined annually and reported to the Congress. The Congress has extended earlier removal dates from time to time, the December 31, 1952, date having been established by an amendment adopted in April 1950, several months before the outbreak of the Korean conflict. After the outbreak of the Korean conflict, in order to continue temporary housing in use for defense purposes, the Congress enacted section 611 of the Lanham Act, authorizing the President to extend a number of dates by which temporary housing must be vacated and either sold or removed. Section 6 of this bill

would merely include the approaching December 31, 1952, dead line in the authority now contained in section 611.

About 35,000 housing units will be affected in the following categories:

1. Veterans' reuse housing not relinquished or transferred to local bodies;
2. Temporary housing relinquished or transferred to local bodies subject to the removal requirements of section 313; and
3. Certain miscellaneous housing units expressly excepted by section 604 from the requirements of title VI of the Lanham Act for vacating and removing temporary housing.

Section 7. Alaska housing authorization

The Alaska Housing Act (Public Law 52, 81st Cong.) authorizes appropriations of $15,000,000 to the Housing and Home Finance Administrator for the purchase, on a revolving basis, of bonds of the Alaska Housing Authority to provide funds for housing construction in the Territory. The Alaska Housing Authority utilizes the funds in making loans to private residential builders or, as a last resort, may undertake direct construction. Section 7 of the bill would increase the amount of the authorization in the Alaska Housing Act to $20,000,000.

Section 8. Waiver of FHA fees on conversion of applications from section 608 to section 207

Under title VI of the National Housing Act, the title which provided special mortgage insurance aids for World War II housing and veterans' housing, a rental housing mortgage may be insured under section 608 of the act only pursuant to a commitment to insure issued by the FHA on application filed on or before March 1, 1950. Some cases have arisen where the holders of such validly issued commitments have, with respect to the same project, made application to convert the section 608 commitment to insurance under section 207 of the act, which is the regular FHA rental housing mortgage insurance section. Technically, such a conversion of insurance with respect to the same project from section 608 to section 207 is regarded by the FHA as a new application for which the regular application fees must be paid, resulting in duplicate application fees for insurance on the same project. This amendment would merely permit the application fees already paid on account of an application for a section 608 project where the commitment has been issued by FHA to be credited toward the fees due for the section 207 application covering the same property or project. However, it is not intended that these provisions be construed to authorize or require any refunds or fees previously paid.

Section 9. Cancellation of Housing Agency notes to Treasury on account of losses on loans transferred to the Housing Agency from RFC

Under Reorganization Plan No. 23 of 1950, a number of prefabricated housing loans made by the RFC were transferred to the Housing and Home Finance Agency. The related RFC notes to the Treasury were canceled and the Housing Administrator issued a substitute note for the principal amount of the transferred loans plus accrued interest. At the time of the transfer a number of the loans were in default and many were not fully covered by collateral, so that the Housing

Administrator's note to the Treasury was in excess of the recovery value of the transferred loans. A book reserve of $7,777,104 for losses on account of the transferred loans was established at the time of the transfer but no reserve funds were actually transferred to the Housing Administrator. Moreover, unlike the RFC, the Housing Administrator had no accumulated net income from an existing lending program with which to pay losses. The actual process of foreclosing on or liquidating some of the loans indicates that the actual losses on account of the transferred loans will not exceed about $8,000,000.

Accordingly, section 9, which is in effect a bookkeeping authorization, would direct the Secretary of the Treasury to cancel the Housing Administrator's note or notes to the extent of such actual net losses on account of the transferred loans.

Section 10. Extension of Federal Housing Laws to Guam

The organic act for Guam, approved August 1, 1950, had the effect of changing the status of the island from that of a possession of the United States under a naval governor to that of an unincorporated territory with its own civilian government. Natives of Guam were made American citizens. However, many of the laws of the United States applicable to the States and other Territories are not applicable to Guam. To study this subject the President last year appointed a Commission on the Applicability of the Federal Laws to Guam, which rendered its report and recommendations on July 31, 1951 (H. Doc. No. 212). It recommended, among other things that the National Housing Act and other Federal laws pertaining to housing be made applicable to Guam. Section 10 of this bill would carry out that recommendation.

Paragraph (a) of section 10 extends the provisions of the National Housing Act to Guam, thereby permitting the Federal Housing Administration, the Federal Savings and Loan Insurance Corporation, and the Federal National Mortgage Association to extend their programs to the territory. Paragraph (a) would also permit the Federal Housing Commissioner to increase the statutory mortgage limits for FHA mortgage insurance purposes by one-half in Guam in the same manner as such limits may now be increased in Alaska. This provision is in recognition of the high construction costs in Guam caused by the necessity of importing almost all construction materials and by the scarcity of skilled construction labor.

Paragraph (b) would amend the Home Owners' Loan Act of 1933, as amended, to permit Federal savings and loan associations to be organized and assisted in Guam.

Paragraph (c) would permit the Federal Home Loan Bank System to operate in Guam. The committee amendment to this paragraph is merely to perfect the language of the paragraph.

Paragraph (d) would extend to Guam title IV of the Defense Housing and Community Facilities and Services Act of 1951 (sites for isolated defense installations).

Paragraph (e) would extend to Guam the defense prefabricated loan provisions which were added to the Housing Act of 1948 by the Defense Housing and Community Facilities and Services Act of 1951.

Section 11. Farm Housing

This section, as amended by your committee, would amend title V of the Housing Act of 1949 (Public Law 171, 81st Cong.) to provide

adequate authority for continuing through fiscal year 1954 the farm housing assistance authorized in that title. The bill as introduced would, instead, have authorized indefinite future borrowing authority and appropriations.

Title V, which is administered by the Farmers Home Administration of the Department of Agriculture, authorizes the Secretary of Agriculture to extend financial assistance in the form of loans and grants to farm owners to enable them to construct, improve, or repair farm housing. Loans of up to 33 years maturity which bear 4-percent interest may be made to farmers having adequate farms who are nevertheless unable to obtain private credit on terms which they can reasonably fulfill. Similar loans, supplemented by modest contributions during a 5-year period are also authorized where the farmer is unable to undertake to repay the loan in full. This form of aid is authorized only if the farm is potentially adequate—that is capable of being improved to a point where it is self-sustaining—and if the necessary improvement program is actually undertaken. Finally, the title authorizes modest loans and grants to help farm families on very poor farms to undertake minor improvements or minimum repairs to farm dwellings where necessary to remove hazards to the health or safety of the occupants.

The authority granted by the present law to obtain loan funds from the Treasury was limited to $25,000,000 on and after July 1, 1949, an additional $50,000,000 on and after July 1, 1950, an additional $75,000,000 on and after July 1, 1951, and an additional $100,000,000 on and after July 1, 1952. The bill, as reported, would provide authorization for an additional $100,000,000 available July 1, 1953.

Annual contribution commitments for housing on potentially adequate farms were authorized to be entered into on and after July 1, 1949, in sums aggregating not more than $500,000 per year (for 5 years) and additional commitments were authorized on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which could require additional contributions of up to $1,000,000, $1,500,000, and $2,000,000 per annum, respectively. The bill, as reported, would provide a similar additional authorization of $2,000,000 per annum on and after July 1, 1953.

Appropriations were also authorized for the loans and grants for improvements and repairs. Appropriations of $2,000,000 were authorized on and after July 1, 1949, and further amounts of $5,000,000, $8,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively. The bill, as reported, would provide an additional authorization of $10,000,000 available July 1, 1953.

Section 12. Federal savings and loan associations—investments in FHA- and VA-aided mortgage loans beyond 50-mile area

This section would add a provision to subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, which concerns the investment of funds of Federal savings and loan associations. The provision added by the bill would, for the purpose of purchase of certain loans, remove the present 15-percent-of-assets limitation on loans beyond a 50-mile area. The limitation would be removed only if the loans purchased are secured by first liens on improved real estate and are insured under the provisions of the National Housing Act, as amended, or insured as provided in the Servicemen's Readjustment

Act of 1944, as amended. Such purchases, however, would remain subject to all of the present limitations of subsection 5 (c) except the 50-mile-area restriction.

IV. Changes in Existing Law in Compliance With the Cordon Rule

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

NATIONAL HOUSING ACT, AS AMENDED

* * * * * * *

Title I. Housing Renovation and Modernization

* * * * * * *

Sec. 9. The provisions of sections 2 and 8 shall be applicable in the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.

* * * * * * *

Title II. Mortgage Insurance

DEFINITIONS

Sec. 201. As used in section 203 of this title—

* * * * * * *

(d) The term "State" includes the several States, and Alaska, Hawaii, Puerto Rico, the District of Columbia, *Guam*, and the Virgin Islands.

* * * * * * *

RENTAL HOUSING INSURANCE

Sec. 207. (a) As used in this section—

* * * * * * *

(7) The term "State" includes the several States, and Alaska, Hawaii, Puerto Rico, the District of Columbia, *Guam*, and the Virgin Islands.

* * * * * * *

Sec. 214. If the Federal Housing Commissioner finds that, because of higher costs prevailing in the Territory of Alaska *or in Guam*, it is not feasible to construct dwellings on property located in Alaska *or in Guam* without sacrifice of sound standards of construction, design, or livability, within the limitations as to maximum *or maxima* mortgage amounts provided in this Act, the Commissioner may, by regulations or otherwise, prescribe, with respect to dollar amount, a higher maximum *or maxima* for the principal obligation of mortgages insured under this Act covering property located in Alaska *or in Guam*, in such amounts as he shall find necessary to compensate for such higher costs but not to exceed, in any event, the maximum *or maxima* otherwise applicable by more than one-half thereof. No mortgage with respect to a project or property in Alaska *or in Guam* shall be accepted for insurance under this Act unless the Commissioner finds that the project or property is an acceptable risk, giving consideration to the acute housing shortage in Alaska *or in Guam: Provided*, That any such mortgage may be insured or accepted for insurance without regard to any requirement in any other section of this Act that the Commissioner find the project or property to be economically sound or an acceptable risk. Notwithstanding any of the provisions of this Act or any other law, the Alaska Housing Authority *or the Government of Guam or any agency or instrumentality thereof* shall be eligible as mortgagor or mortgagee, as the case may be, for any of the purposes of mortgage insurance under the provisions of this Act. Upon application by the mortgagee, where the Alaska Housing Authority *or the Government of Guam or any agency or instrumentality thereof* is the mortgagor or mortgagee, for the insurance of a mortgage under any provisions

of this Act, the Commissioner is authorized to insure the mortgage (including advances thereon where otherwise authorized), and to make commitments for the insuring of any such mortgages prior to the date of their execution or disbursement thereon, under such provisions (and this section) without regard to any requirement that the mortgagor shall be the owner and occupant of the property or shall have paid a prescribed amount on account of such property.

* * * * * * *

GENERAL MORTGAGE INSURANCE AUTHORIZATION

[SEC. 217. Notwithstanding limitations contained in any other section of this Act on the aggregate amount of principal obligations of mortgages which may be insured under any title of this Act, such aggregate amount shall, with respect to any title of this Act (except title VI) be prescribed by the President, taking into consideration the needs of national defense and the effect of additional mortgage insurance authorizations upon conditions in the building industry and upon the national economy: *Provided*, That the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this Act plus the aggregate dollar amount of all increases in mortgage insurance authorizations under other titles of this Act prescribed by the President pursuant to authority contained in this section shall not exceed $1,500,000,000.]

SEC. 217. Notwithstanding limitations contained in any other section of this Act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time) and on the aggregate amount of contingent liabilities which may be outstanding at any one time under insurance contracts, or commitments to insure, pursuant to any section or title of this Act, any such aggregate amount shall, with respect to any section or title of this Act (except section 2), be prescribed by the President from time to time toking into consideration the needs of national defense and the effect of additional insurance authorizations upon conditions in the building industry and upon the national economy: Provided, That the dollar amount of the insurance outhorization prescribed by the President at any time with respect to any provision of title VI shall not be greater than authorized by provisions of thot title: And provided further, That, at any time, the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this Act, plus the aggregate dollar amount of oll incrcases in insurance authorizations under other titles of this Act prescribed by the President pursuant to authority contained in this section, less the oggregate dollar amount of all decreases in insurance authorizations under this Act prescribed by the President pursuont to authority contained in this section shall not exceed $1,900,000,000: And provided further, That $400,000,000 of said sum shall be available only for the insurance of mortgages for which no insurance contract or commitment to insure under this Act wos outstanding on June 30, 1952, and which mortgoges (1) cover defense housing programmed by the Housing and Home Finance Agency in an area determined by the President or his designee to be a critical defense housing area, or (2) are insured under title VIII of this Act, or (3) cover housing intended to be made available primarily for families who are victims of a cotastrophe which the President has determined to be a major disaster.

SEC. 218. In any case where an application for mortgage insurance under section 608 of this Act was received by the Federal Housing Commissioner on or before March 1, 1950, and a commitment to insure was issued by said Commissioner in accordance therewith any mortgagee who, prior to the expiration of such commitment, applied for insurance of a mortgage under section 207 of this Act with respect to the same property or project shall receive credit for all application fees paid in connection with the prior application: Provided, That nothing therein shall constitute o waiver of any requirements otherwise applicable to the insurance of mortgages under section 207 of this Act.

* * * * * * *

TITLE III. FEDERAL NATIONAL MORTGAGE ASSOCIATION

CREATION AND POWERS OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION

SEC. 301. (a) The Commissioner is further authorized and empowered to provide for the establishment of a Federal National Mortgage Association (hereinafter referred to as the "Association") which shall be authorized, subject to such rules and regulations as may be prescribed by the Association—

(1) to purchase, service, or sell any mortgages, which are [insured after April 30, 1948, under title II, title VI, or title VIII, section 8 of title I, or title IX of this Act, or guaranteed after April 30, 1948, under section 501, or section 502, or section 505 (a) of the Servicemen's Readjustment Act f

1944, as amended: *Provided*, That no deposit or fee required or charged by the Association for the purchase of a mortgage hereunder shall exceed 1 per centum of the original principal obligation of such mortgage:] *insured under this Act, as amended, or insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended: Provided, That no such mortgage, except defense or disaster mortgages as defined in subparagraph (G) hereof, shall be purchased by the Association unless insured or guaranteed after February 29, 1952, or purchased pursuant to a commitment made by the Association: And provided further*, That—

* * * * * * *

(E) no mortgage shall be offered to the Association for purchase by any one mortgagee (1) unless such mortgage is secured by property used, or designed to be used, for residential purposes and (2) if the unpaid principal balance thereof, when added to the aggregate amount paid for all mortgages purchased by the Association from such mortgagee [pursuant to authority contained herein, exceeds 50 per centum of the original principal amount of all mortgages made by such mortgagee] *after February 29, 1952, pursuant to authority contained herein, exceeds 50 per centum of the original principal amount of all mortgage loans made by such mortgagee that are insured or guaranteed after February 29, 1952*, which, except for this subparagraph (E), meet the requirements of this section: [*Provided*, That this clause (2) shall not apply to (nor shall any terms therein include) any mortgage which is (i) guaranteed after October 25, 1949, under section 501, or guaranteed after the effective date of the Housing Act of 1950 under section 502 of the Servicemen's Readjustment Act of 1944, as amended, and made for the construction or purchase of a family dwelling or dwellings in an original principal amount or amounts which does not exceed $10,000 per dwelling unit, or (ii) insured under section 803 of this Act:] *Provided, That this clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G)*; and

* * * * * * *

(G) The Association after the effective date of this subparagraph may contract to purchase only those eligible mortgages which are guaranteed or insured at the time of the contract: *Provided:* That this subparagraph shall not apply to (i) commitments made pursuant to Public Law 243, Eighty-second Congress, or (ii) commitments made by the association on or after September 1, 1951, [which do not exceed $252,000,000 outstanding at any one time, if applications for such commitments were received by the association prior to December 28, 1951, or, in the case of title VIII mortgages, if the Federal Housing Commissioner issued his commitment to insure prior to December 31, 1951. but subsequent to December 27, 1951, and if such commitments of the association relate to] *and prior to July 1, 1953, which do not exceed $1,152,000,000 outstanding at any one time, if such commitments of the Association relate to defense or disaster mortgages. As used in this title III, "defense or disaster mortgages" means* mortgages (1) covering defense housing programmed by the Housing and Home Finance Administrator in an area determined by the President or his designee to be a critical defense housing area, or (2) with respect to which the Federal Housing Commissioner has issued a commitment to insure pursuant to title VIII of this Act, as amended, or (3) covering housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster.

* * * * * * *

(c) The Association created under this section shall have succession from the date of its organization unless it is dissolved by order of the Commissioner as hereinafter provided, or by Act of Congress, and shall have power—

* * * * * * *

(4) to conduct its business in any State of the United States, or in the District of Columbia, *Guam*, Alaska, Hawaii, Puerto Rico, or the Virgin Islands, and to have one or more offices in such State, or in the District of Columbia, *Guam*, Alaska, Hawaii, or Puerto Rico, one of which offices shall be designated at the time of organization as its principal office;

* * * * * * *

SEC. 302. The total amount of investments, loans, purchases, and commitments made by the Association shall not exceed [$2,750,000,000] *$3,650,000,000* outstanding at any one time. The Association is authorized to issue and have outstanding at any one time notes and other obligations in an aggregate amount sufficient to enable it to carry out its functions under this Act or any other provision of law: *Provided, That not more than $2,750,000,000 of such total amount*

outstanding at any one time shall relate to mortgages other than defense or disaster mortgages as defined in section 301 (a) (1) (G).

* * * * * * *

INSURANCE OF ACCOUNTS AND ELIGIBILITY PROVISIONS

SEC. 403. (a) It shall be the duty of the Corporation to insure the accounts of all Federal savings and loan associations, and it may insure the accounts of building and loan, savings and loan, and homestead associations and cooperative banks organized and operated according to the laws of the State, District, [or Territory] *Territory, or possession* in which they are chartered or organized.

* * * * * * *

TITLE VI. WAR HOUSING INSURANCE

SEC. 601. As used in this title—

* * * * * * *

(d) The term "State" includes the several States, and Alaska, Hawaii, Puerto Rico, the District of Columbia, *Guam*, and the Virgin Islands.

* * * * * * *

TITLE VII. INSURANCE FOR INVESTMENTS IN RENTAL HOUSING FOR FAMILIES OF MODERATE INCOME

* * * * * * *

SEC. 713. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

* * * * * * *

(g) "State" shall include the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.

* * * * * * *

TITLE VIII. MILITARY HOUSING INSURANCE

SEC. 801. As used in this title—

* * * * * * *

(f) The term "State" includes the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, *Guam*, and the Virgin Islands.

DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

* * * * * * *

SEC. 302. * * *

* * * * * * *

(b) Where it is necessary to provide housing under this title in locations where, in the determination of the Administrator, there appears to be no need for such housing beyond the period during which it is needed for housing persons engaged in national-defense activities, the provisions of section 102 hereof shall not be applicable and temporary housing which is of a mobile or portable character or which is otherwise constructed so as to be available for reuse at other locations *or existing housing built or acquired by the United States under authority of other law* shall be provided. All housing constructed pursuant to the authority contained in this title which is of a temporary character, as determined by the Administrator, shall be disposed of by the Administrator not later than the date, and subject to the conditions and requirements, hereafter prescribed by the Congress: *Provided*, That nothing in this sentence shall be construed as prohibiting the Administrator from removing any such housing by demolition or otherwise prior to the enactment of such legislation.

* * * * * * *

SEC. 313. There are hereby authorized to be appropriated—

(a) such sums, not exceeding [$60,000,000] *$100,000,000*, as may be necessary for carrying out the provisions and purposes of this title relating to community facilities and services in critical defense-housing areas; and

(b) such sums, not exceeding [$50,000,000] *$100,000,000,* as may be necessary for carrying out the provisions and purposes of this title relating to housing in critical defense-housing areas.

TITLE IV. PROVISION OF SITES FOR NECESSARY DEVELOPMENT IN CONNECTION WITH ISOLATED DEFENSE INSTALLATIONS

SEC. 401. Subject to the provisions and limitations of title I hereof and subject to the provisions and limitations of this title, upon a finding by the President that in connection with a defense installation (as defined by him) developed or to be developed in an isolated or relatively isolated area (1) housing or community facilities needed for such installation would not otherwise be provided when and where required or (2) there would otherwise be speculation or uneconomic use of land resources which would impair the efficiency of defense activities at such installation, the Housing and Home Finance Administrator (hereinafter referred to as the "Administrator") is authorized to make general plans for the development of necessary housing and community facilities in connection with such defense installation; to acquire, by purchase, condemnation, or otherwise, the necessary improved or unimproved land or interests therein; to clear land; to install, construct, or reconstruct streets, utilities, and other site improvements essential to the preparation of the land for use in accordance with said general plans; and to dispose of such land or interests therein for use in accordance with such plans and subject to such terms and conditions as he shall deem advisable and in the public interest. For the purposes of this title, the Administrator may exercise the powers granted to him in title III for the purposes thereof: *Provided,* That no funds made available under this title shall be used for the erection of dwellings or other buildings, and funds representing the fair value, as determined by the Administrator, of any property acquired under this title and used as sites for dwellings or other buildings or facilities under title III shall be transferred from funds appropriated thereunder and made available for purposes of this title IV: *And provided further,* That the provisions of section 310 shall be applicable to site development work under this title. *This title shall be applicable in the several States, the District of Columbia, and the Territories and possessions of the United States.*

* * * * * * *

HOUSING ACT OF 1948, AS AMENDED

* * * * * * *

SEC. 102b. In the performance of, and with respect to, the functions, powers, and duties vested in him by Reorganization Plan 23 of 1950 and by section 102a hereof, the Housing and Home Finance Administrator shall, in addition to any powers, functions, privileges, and immunities otherwise vested in him—

(1) have the powers, functions, privileges, and immunities transferred to him by said Reorganization Plan and the same powers, functions and duties as set forth in section 402 of the Housing Act of 1950, except subsection (c) (2) thereof, with respect to loans authorized by title IV of said Act;

(2) take any and all actions determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans thereunder.

Such powers, functions, and duties may be exercised in the several States, the District of Columbia, and the Territories and possessions of the United States.

AN ACT TO EXPEDITE THE PROVISION OF HOUSING IN CONNECTION WITH NATIONAL DEFENSE, AND FOR OTHER PURPOSES (THE LANHAM ACT)

* * * * * * *

SEC. 611. Notwithstanding any other provision of law, the President is authorized to extend, for such period or periods as he shall specify, the time within which any action is required or permitted to be taken by the Administrator or others under the provisions of this title *or section 313 of this Act* (or any contract entered into pursuant [to this title] *thereto*), upon a determination by him, after considering the needs of national defense and the effect of such extension upon the general housing situation and the national economy, that such extension is in the public interest.

* * * * * * *

ALASKA HOUSING ACT

* * * * * * *

SEC. 3. * * *

* * * * * * *

(b) To obtain funds for the purpose of undertaking and administering projects or of making loans pursuant to any authority conferred by the legislature of the Territory of Alaska under subsection (a) of this section, the Alaska Housing Authority may, on and after the effective date of this Act, issue and have outstanding at any one time notes or other obligations for purchase by the Housing and Home Finance Administrator in an amount not to exceed [$15,000,000] *$20,000,000* and the Housing and Home Finance Administrator is hereby authorized to purchase such notes or other obligations to the extent that funds are available therefor: *Provided,* That such notes and other obligations issued and outstanding for the purpose of making character loans to individuals or cooperatives shall not exceed $1,000,000. * * *

* * * * * * *

(d) There is hereby authorized to be appropriated to the Housing and Home Finance Administrator, out of any money in the Treasury not otherwise appropriated, not to exceed [$15,000,000] *$20,000,000* for the purposes of this section. * * *

* * * * * * *

HOME OWNERS' LOAN ACT OF 1933, AS AMENDED

* * * * * * *

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

SEC. 5. * * *

* * * * * * *

(c) Such associations shall lend their funds only on the security of their shares or on the security of first liens upon homes or combination of homes and business property within fifty miles of their home office: *Provided,* That not more than $20,000 shall be loaned on the security of a first lien upon any one such property; except that not exceeding 15 per centum of the assets of such association may be loaned on other improved real estate without regard to said $20,000 limitation, and without regard to said fifty-mile limit, but secured by first lien thereon: *And provided further,* That any portion of the assets of such associations may be invested in obligations of the United States or the stock or bonds of a Federal Home Loan Bank: *And provided further,* That any such association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter. *In addition to the loans and investments otherwise authorized, such associations may purchase, subject to all the provisions of this paragraph except the area restriction, loans secured by first liens on improved real estate which are insured under the provisions of the National Housing Act, as amended, or insured as provided in the Servicemen's Readjustment Act of 1944, as amended.*

* * * * * * *

SEC. 7. The provisions of this Act shall apply to the continental United States, to the Territories of Alaska and Hawaii, and to Puerto Rico, *Guam,* and the Virgin Islands.

* * * * * *

THE FEDERAL HOME LOAN BANK ACT, AS AMENDED

DEFINITIONS

SEC. 2. As used in this Act—

(3) The term "State" includes the District of Columbia, *Guam,* Puerto Rico, the Virgin Islands of the United States, and the Territories of Alaska and Hawaii.

* * * * * * *

Federal Home Loan Banks

Sec. 3. As soon as practicable the board shall divide the continental United States, Puerto Rico, the Virgin Islands, *Guam*, and the Territories of Alaska and Hawaii into not less than eight nor more than twelve districts. Such districts shall be apportioned with due regard to the convenience and customary course of business of the institutions eligible to and likely to subscribe for stock of a Federal Home Loan Bank to be formed under this Act, but no such district shall contain a fractional part of any State. The districts thus created may be readjusted and new districts may from time to time be created by the board, not to exceed twelve in all. Such districts shall be known as Federal Home Loan Bank districts and may be designated by number. As soon as practicable the board shall establish, in each district, a Federal Home Loan Bank at such city as may be designated by the board. Its title shall include the name of the city at which it is established.

HOUSING ACT OF 1949, AS AMENDED

* * * * * * *

LOAN FUNDS

Sec. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title (other than loans under section 504 (b)) not in excess of $25,000,000 on and after July 1, 1949, an additional $50,000,000 on and after July 1, 1950, an additional $75,000,000 on and after July 1, 1951, [and] an additional $100,000,000 on and after July 1, 1952, *and an additional $100,000,000 on and after July 1, 1953.* The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

CONTRIBUTIONS

Sec. 512. In connection with loans made pursuant to section 503, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed $500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, [and] 1952, *and 1953*, respectively, which shall require additional contributions aggregating not more than $1,000,000, $1,500,000, *$2,000,000*, and $2,000,000 per annum, respectively.

Sec. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional $2,000,000 for grants pursuant to section 504 (a) and loans pursuant to section 504 (b) on and after July 1, 1949, which amount shall be increased by further amounts of $5,000,000, $8,000,000, [and] $10,000,000, *and $10,000,000* on July 1 of each of the years 1950, 1951, [and] 1952, *and 1953*, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

O

Calendar No. 1510

82D CONGRESS
2D SESSION

S. 3066

[Report No. 1582]

IN THE SENATE OF THE UNITED STATES

APRIL 24, 1952

Mr. MAYBANK introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

MAY 16 (legislative day, MAY 12), 1952

Reported by Mr. MAYBANK, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend defense housing laws, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act be cited as the "Housing Act of 1952".
4 SEC. 2. Section 217 of the National Housing Act, as
5 amended, is hereby amended to read as follows:
6 "SEC. 217. Notwithstanding limitations contained in
7 any other section of this Act on the aggregate amount of
8 principal obligations of mortgages or loans which may be
9 insured (or insured and outstanding at any one time) and

on the aggregate amount of contingent liabilities which may be outstanding at any one time under insurance contracts, or commitments to insure, pursuant to any section or title of this Act, any such aggregate amount shall, with respect to any section or title of this Act (except section 2), be prescribed by the President from time to time taking into consideration the needs of national defense and the effect of additional insurance authorizations upon conditions in the building industry and upon the national economy: *Provided,* That the dollar amount of the insurance authorization prescribed by the President at any time with respect to any provision of title VI shall not be greater than authorized by provisions of that title: *And provided further,* That, at any time, the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this Act, plus the aggregate dollar amount of all increases in insurance authorizations under other titles of this Act prescribed by the President pursuant to authority contained in this section, less the aggregate dollar amount of all decreases in insurance authorizations under this Act prescribed by the President pursuant to authority contained in this section shall not exceed ~~$2,500,000,000~~ *$1,900,000,000: And provided further, That $400,000,000 of said sum shall be available only for the insurance of mortgages for which no insurance contract or commitment to insure under*

1 *this Act was outstanding on June 30, 1952, and which*
2 *mortgages (1) cover defense housing programed by the Hous-*
3 *ing and Home Finance Agency in an area determined by*
4 *the President or his designee to be a critical defense housing*
5 *area, or (2) are insured under title VIII of this Act, or (3)*
6 *cover housing intended to be made available primarily for*
7 *families who are victims of a catastrophe which the President*
8 *has determined to be a major disaster.*".

9 SEC. 3. (a) Section 301 (a) (1) of said Act, as
10 amended, is hereby amended—

11 (1) by striking the words beginning with "*insured*
12 after April 30, 1948" and ending with the colon at the
13 end of the first proviso thereof and inserting the words:
14 "*insured* under this Act, as amended, or insured or guar-
15 anteed under the Servicemen's Readjustment Act of
16 1944, as amended: *Provided*, That no such mortgage,
17 except defense or disaster mortgages as defined in sub-
18 paragraph (G) hereof, shall be purchased by the Asso-
19 ciation unless insured or guaranteed after February 29,
20 1952, or purchased pursuant to a commitment made by
21 the Association:";

22 (2) by striking from subparagraph (E) "pursuant
23 to authority contained herein, exceeds 50 per centum of
24 the original principal amount of all mortgages made by
25 such mortgagee" and inserting "after February 29,

1952, pursuant to authority contained herein, exceeds 50 per centum of the original principal amount of all mortgage loans made by such mortgagee that are insured or guaranteed after February 29, 1952";

(3) by striking the proviso in subparagraph (E) and inserting "*Provided,* That this clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G)"; and

(4) by striking from the proviso in subparagraph (G) "which do not exceed $252,000,000 outstanding at any one time, if applications for such commitments were received by the Association prior to December 28, 1951, or, in the case of title VIII mortgages, if the Federal Housing Commissioner issued his commitment to insure prior to December 31, 1951, but subsequent to December 27, 1951, and if such commitments of the Association relate to" and inserting "and prior to July 1, 1953, which do not exceed ~~$1,552,000,000~~ *$1,152,000,000* outstanding at any one time, if such commitments of the Association relate to defense or disaster mortgages. As used in this title III, 'defense or disaster mortgages' means".

(b) Section 302 of said Act, as amended, is hereby

amended (1) by striking "$2,750,000,000" and inserting "~~$4,050,000,000~~ *$3,650,000,000*"; and (2) by adding before the period at the end of the first sentence of said section ": *Provided*, That not more than $2,750,000,000 of such total amount outstanding at any one time shall relate to mortgages other than defense or disaster mortgages as defined in section 301 (a) (1) (G)".

SEC. 4. Section 313 of the Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by striking out "$60,000,000" in paragraph (a) thereof and substituting ~~"$160,000,000~~ *$100,000,000*" and by striking out "$50,000,000" in paragraph (b) thereof and substituting ~~"250,000,000~~ *$100,000,000*".

SEC. 5. The first sentence of section 302 (b) of the Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by adding after the words "for reuse at other locations" the words "or existing housing built or acquired by the United States under authority of other law".

SEC. 6. Section 611 of the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended, is hereby amended by inserting "or section 313

of this Act" immediately preceding the parenthetical clause, and by striking out "to this title" at the end of the parenthetical clause and inserting in lieu thereof "thereto".

SEC. 7. The first sentence of section 3 (b) and the first sentence of section 3 (d) of the Alaska Housing Act, approved April 23, 1949, as amended, are hereby amended by striking "$15,000,000" and inserting "~~$25,000,000~~ *$20,000,000*".

SEC. 8. Title II of the National Housing Act, as amended, is hereby amended by adding the following new section:

"SEC. 218. In any case where an application for mortgage insurance under section 608 of this Act was received by the Federal Housing Commissioner on or before March 1, 1950, and a commitment to insure was issued by said Commissioner in accordance therewith any mortgagee who, prior to the expiration of such commitment, applied for insurance of a mortgage under section 207 of this Act with respect to the same property or project shall receive credit for all application fees paid in connection with the prior application: *Provided,* That nothing therein shall constitute a waiver of any requirements otherwise applicable to the insurance of mortgages under section 207 of this Act.".

SEC. 9. The Secretary of the Treasury is hereby authorized and directed from time to time to credit and cancel

1 the note or notes of the Housing and Home Finance Ad-
2 ministrator executed and delivered in connection with loans
3 transferred from the Reconstruction Finance Corporation
4 to the Housing and Home Finance Agency pursuant to
5 Reorganization Plan Numbered 23 of 1950 (64 Stat. 1279),
6 to the extent of the net loss, as determined by the Secretary
7 of the Treasury, sustained by said Agency in the liquidation
8 of defaulted loans. The net loss shall be the sum of the
9 unpaid principal and advances for care and preservation of
10 collateral, together with accrued and unpaid interest on said
11 principal and advances, and all expenses and costs (other
12 than those subject to administrative expense limitations) in
13 connection with the liquidation of defaulted loans, less the
14 amount actually realized by the Housing and Home Finance
15 Agency on account of such defaulted loans.

16 SEC. 10. (a) The National Housing Act, as amended,
17 is hereby amended—

18 (1) by adding at the end of section 8 the following
19 new section 9:

20 "SEC. 9. The provisions of sections 2 and 8 shall be
21 applicable in the several States and Alaska, Hawaii, Puerto
22 Rico, the District of Columbia, Guam, and the Virgin
23 Islands.";

24 (2) by adding "Guam," after the words "District
25 of Columbia," in each place where they appear in sec-

1 tions 201 (d), 207 (a) (7), 301 (c) (4), 601 (d),
2 and 801 (f);
3 (3) by inserting in section 214—
4 (A) the words "or in Guam" after the word
5 "Alaska" in each place where it appears in said
6 section,
7 (B) the words "or maxima" after the word
8 "maximum", and
9 (C) the words "or the Government of Guam
10 or any agency or instrumentality thereof" after the
11 words "Alaska Housing Authority" in each place
12 where they appear in said section;
13 (4) by adding at the end of section 713 the follow-
14 ing new subsection (q):
15 "(q) 'State' shall include the several States and Alaska,
16 Hawaii, Puerto Rico, the District of Columbia, Guam, and
17 the Virgin Islands."; and
18 (5) by deleting the words "or Territory" in section
19 403 (a) and inserting in lieu thereof the words "Ter-
20 ritory, or possession".
21 (b) The Home Owners' Loan Act of 1933, as amended,
22 is hereby amended by adding a comma and "Guam,"
23 after the words "Puerto Rico" in section 7 thereof.
24 (c) The Federal Home Loan Bank Act, as amended,
25 is hereby amended by adding "Guam," after "District of

Columbia," in section 2 (3) *and after "Virgin Islands," in section 3* thereof.

(d) The Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by adding at the end of section 401 the following: "This title shall be applicable in the several States, the District of Columbia, and the Territories and possessions of the United States."

(e) Section 102b of the Housing Act of 1948, as amended, is hereby amended by adding at the end thereof the following: "Such powers, functions, and duties may be exercised in the several States, the District of Columbia, and the Territories and possessions of the United States."

SEC. 11. Title V of the Housing Act of 1949, as amended, is hereby amended as follows:

(a) In the first sentence of section 511 immediately following the phrase "July 1, 1951" strike the word "and" and insert at the end of the sentence just before the period a comma and the language "and ~~such~~ *an* additional ~~sums~~ *$100,000,000* on and after July 1, 1953~~, as the Congress may from time to time determine~~".

~~(b) At the end of section 512 just before the period insert a comma and the language "and to make additional commitments on and after July 1, 1953, for additional con-~~

~~tributions aggregating not more than $2,000,000 per annum".~~

~~(c) In section 513 just before the last semicolon insert a comma and the language "and such further amounts on and after July 1, 1953, as the Congress may from time to time determine".~~

(b) In section 512, (i) strike "and 1952" and insert "1952, and 1953", and (ii) strike "and $2,000,000" and insert "$2,000,000 and $2,000,000".

(c) In section 513, strike "and $10,000,000 on July 1 of each of the years 1950, 1951, and 1952" and insert "$10,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, 1952, and 1953".

SEC. 12. The first paragraph of subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by adding at the end thereof the following new sentence: "In addition to the loans and investments otherwise authorized, such associations may purchase, subject to all the provisions of this paragraph except the area restriction, loans secured by first liens on improved real estate which are insured under the provisions of the National Housing Act, as amended, or insured as provided in the Servicemen's Readjustment Act of 1944, as amended."

Calendar No. 1510

82D CONGRESS
2D SESSION

S. 3066

[Report No. 1582]

A BILL

To amend defense housing laws, and for other purposes.

By Mr. MAYBANK

APRIL 24, 1952

Read twice and referred to the Committee on Banking and Currency

MAY 16 (legislative day, MAY 12), 1952

Reported with amendments

S. 3068

A BILL

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 23, 1952
For actions of May 22, 1952
82nd-2nd, No. 88

CONTENTS

HIGHLIGHTS: House debated foreign-aid bill. Senate passed immigration bill. Senate made housing bill unfinished business.

HOUSE

1. FOREIGN AID. Continued debate on H. R. 7005, the foreign-aid authorization bill. Agreed to a Vorys amendment to cut $615,300,000 from the authorization for economic aid. Efforts to increase this reduction to $1 billion, and to reduce the cut to $300 million, were defeated. Also rejected an amendment to delete language authorizing economic aid. (pp. 5843-50, 5853-78.)

2. AGRICULTURAL CENSUS. The Post Office and Civil Service Committee reported with amendment H. R. 7202, to provide for a census of agriculture in October 1954 and every 10th year thereafter (H. Rept. 1991)(p. 5879).

3. WATER POLLUTION. The Public Works Committee reported without amendment H. R. 6856, continuing the Water Pollution Control Act until June 30, 1956 (H. Rept. 1900)(p. 5879).

4. EMERGENCY POWERS. A subcommittee agreed to report to the full Judiciary Committee a proposal to continue certain emergency war powers (p. D489).

5. PRICE CONTROL. Rep. McCormack spoke in favor of continuing price controls (pp. 5878-9).

SENATE

6. IMMIGRATION. Passed with amendment H. R. 5678, to revise the immigration and naturalization laws, substituting the language of S. 2550 therefor. Senate conferees were appointed. (pp. 5884-933.)

7. HOUSING. Made S. 3066, to amend the defense housing laws, its unfinished business. This bill contains a provision continuing farm housing loan authority. (p. 5933.)

8. EMERGENCY POWERS. The Judiciary Committee reported without amendment S. J. Res. 156, continuing until June 15, 1952, certain emergency war powers (p. 5881).

BILLS INTRODUCED

9. RECLAMATION; FORESTRY. S. 3217, by Sen. Case, and H. R. 7947, by Rep. Berry, to facilitate the management of land and recreational resources of reclamation projects in or adjacent to the national forests of South Dakota; to Interior and Insular Affairs Committees (pp. 5880, 5882).

10. BUDGETING. H. R. 7950, by Rep. McCarthy, to amend section 206 of the Legislative Reorganization Act of 1946, so as to enable the Comptroller General more effectively to assist the Appropriations Committees in considering the budget; to Expenditures in Executive Departments Committee (p. 5880).

11. RESEARCH; BUILDINGS. H. R. 7952, by Rep. Phillips, to authorize the combinati of the Truck Crop Insect Laboratory and the Citrus Insect Laboratory of the Bureau of Entomology and Plant Quarantine, located at Alhambra and Whittier, Calif., respectively, and to provide for new quarters; to Agriculture Committee (p. 5880).

12. PERSONNEL. H. R. 7951, by Rep. Ramsay, to amend the Annual and Sick Leave Act of 1951 to provide equitable treatment for married women; to Post Office and Civil Service Committee (p. 5880).

13. EMERGENCY POWERS. H. J. Res. 460, by Rep. Pickett, to continue in effect certain statutory provisions for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter, notwithstanding the termination of the existing state of war; to Judiciary Committee (p. 5880).

H. J. Res. 461, by Rep. Feighan, to continue the effectiveness of certain statutory provisions for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter, but not beyond June 30, 1953; to Judiciary Committee (p. 5880).

S. J. Res. 156, by Sen. McCarran, continuing the effectiveness of certain statutory provisions until June 15, 1952; to Judiciary Committee (p. 5882).

14. LAND TRANSFER. S. 3218, by Sen. Case (for himself and Sen. Mundt), to provide for the conveyance of a tract of land in Custer County, S. Dak., to the Crazy Horse Memorial Foundation, and for the reversion thereof to the United States; to Agriculture and Forestry Committee (p. 5882).

15. RETIREMENT BENEFITS. H. R. 7931, by Rep. Rodino, establishing a Commission on Old-Age and Retirement Benefits; to Ways and Means Committee (May 21, 1952).

ITEMS IN APPENDIX

16. FARM LOANS. Extension of remarks of Rep. Fisher praising the accomplishments and administration of the Farmers Home Administration (p. A3300).

17. FOREIGN AID. Extension of remarks of Rep. Heller in favor of the Mutual Security Program as an essential step towards a better world (pp. A3300-1).

feel very deeply in regard to the issues which have been the subject of debate.

I wish to express to them my personal appreciation for their cooperation in expediting the consideration of the bill. They have not used all the time at their disposal today. We might have been here until 12 o'clock tonight and after, and still not have completed consideration of the bill.

I also express my appreciation to other Members of the Senate for their cooperation, and for helping us to dispose of the immigration bill at this hour.

Mr. President, I now desire to make a motion.

The VICE PRESIDENT. The Senator from Arizona has the floor.

HOUSING ACT OF 1952

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1510, Senate bill 3066, a bill to amend defense-housing laws, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with amendments.

Mr. MAYBANK. Mr. President, the distinguished majority leader suggested to me earlier today that perhaps the Senate might meet at 10 o'clock tomorrow morning and proceed with the consideration of the proposed housing legislation, which has been made the unfinished business.

The distinguished junior Senator from Ohio [Mr. BRICKER] is present, and I may say that I was informed that the Senator from Indiana [Mr. CAPEHART], would return to the city tonight. I have talked over the matter with the Senator from Indiana and the Senator from Ohio, and I think the Senator from Ohio will agree with me that the bill has been shortened by the committee, and that the committee is perfectly satisfied with the provisions of the bill as it is written.

Mr. President, unless extraneous matters arise, I very frankly do not think it will take more than an hour to dispose of the measure, because the only proposals are to extend certain FNMA mortgage authority, provide $1,000,000,000 for FHA, increase community facilities to some degree, help farm housing to a small extent, provide that Guam may be designated as a place where FHA may finance housing, and add a little to the revolving fund for Alaska housing.

I wish to say to the Senator from Arizona that, so far as the members of the committee are concerned, the Senate might meet at 11 o'clock. Of course, we could not bind other Senators, nor would we attempt to do so.

I have had letters from Members of the Senate who are anxious to have extended for the benefit of contractors and business people, FHA mortgage loans which have expired.

I do not think it will be necessary to meet before 11 o'clock. I hope I am not being presumptuous, but I think that if the Senate meets at 11 o'clock, unless something unforeseen arises, we shall be able to finish consideration of the bill. With the permission of the Senator from Arizona, I should like to ask the ranking Republican member of the committee what his thoughts are in this regard.

Mr. BRICKER. Mr. President, I concur in what the chairman of the committee has said. I think the bill was worked out pretty well to the satisfaction of all the members of the committee. There was no opposition vote on the part of any member of the committee.

Mr. MAYBANK. Senators wrote me letters as chairman of the committee, urging that the bill be considered.

Mr. BRICKER. That is correct. Furthermore, I think there is no amendment of any substance to the bill, except for a change in the amounts, increasing the amounts so as to take care of the increasing needs in the housing field. So I am confident, without being presumptuous, that it would not require more than an hour or two to complete consideration of the bill, unless some opposition should appear of which the committee members have no knowledge.

Mr. McFARLAND. It is perfectly agreeable to me to have the Senate meet at 11 o'clock a. m. My only purpose in suggesting that the Senate meet at an earlier hour was that I wanted to be sure that the consideration of the bill would be completed tomorrow. We can meet at 12 o'clock if Senators are sure that we can finish consideration of the bill.

Mr. MAYBANK. I can speak only for the committee, and for the Members on the Democratic side. I have talked with the Senator from Illinois [Mr. DOUGLAS], and the Senator from Delaware [Mr. FREAR], who were present in the Chamber a while ago. I am certain that there will be no difficulty about disposing of the bill. I am certain that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Ohio [Mr. BRICKER], and the Senator from Indiana [Mr. CAPEHART] feel that, unless something unforeseen arises, there will be no difficulty.

Mr. McFARLAND. The two distinguished Senators almost make me feel sorry that we did not plan to complete consideration of the bill tonight.

Mr. BRICKER. I believe that if the majority leader had known what the situation would be, it could have been disposed of this evening.

Mr. ROBERTSON. Mr. President, will the Senator from Arizona yield?

Mr. McFARLAND. I yield.

Mr. ROBERTSON. The bill which we have reported from the committee is a very conservative bill. We were in substantial agreement in the committee, on both sides. I cannot imagine that there will be any real controversy over the bill.

Mr. McFARLAND. When does the Senator from South Carolina wish to have the Senate meet tomorrow?

Mr. MAYBANK. Twelve o'clock noon would suit me, in view of the fact that the Appropriations Committee is to meet at 10:30. If the Senate were to meet at 12 o'clock, I believe we could complete consideration of the bill.

Mr. McFARLAND. That is perfectly agreeable to me. If we can complete consideration of the bill in half an hour, we shall proceed to the consideration of the mutual security bill and see if we can make some progress on it.

Mr. MAYBANK. It is my judgment that we can do so.

Mr. McFARLAND. I should be glad to have the Senate make some progress on the mutual security bill tomorrow.

Mr. BRICKER. Mr. President, I should like to ask a question for the purpose of the record. I think the chairman of the committee has communicated with the Senator from Indiana [Mr. CAPEHART].

Mr. MAYBANK. My office has communicated with him. The Senator from Indiana is on his way back to the city. He will call us as soon as he reaches here. He is returning from Boston.

Mr. BRICKER. When the bill was reported from the committee, he expressed to me the same feeling which has been expressed here on the floor of the Senate.

Mr. MAYBANK. He is returning on the train from Boston. I understand that he is expected to arrive about 9 o'clock.

Mr. BRIDGES. Mr. President, will the Senator yield to me for a moment?

Mr. McFARLAND. I yield.

Mr. BRIDGES. I have talked with the minority members of the Banking and Currency Committee whom I have been able to reach. I have not been able to reach the Senator from Indiana.

Mr. MAYBANK. Let me say to the distinguished minority leader that I would never be one to bring a bill up in the absence of the ranking minority member of the committee. However, after talking with the Senator from Ohio [Mr. BRICKER], and after calling the home of the Senator from Indiana, I am satisfied that the Senator from Indiana is agreeable. He had told me that he was in agreement with what had been done in the committee, and he so voted.

Mr. BRIDGES. I assume that everything is satisfactory. I believe that if the distinguished majority leader will arrange for the Senate to meet at 12 o'clock, there will be no reason why the bill cannot be disposed of in a reasonable time.

Mr. McFARLAND. That is perfectly agreeable to me.

Mr. MAYBANK. I thank the Senator.

RECESS

Mr. McFARLAND. Mr. President, it is with a great deal of satisfaction that I note that we have completed consideration of the immigration bill this afternoon. Some Senators doubted me when I made the statement that the Senate would dispose of the bill this week. I was not sure whether it would or not.

I am happy to make the motion that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 23, 1952, at 12 o'clock meridian.

Digest of CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 26, 1952
For actions of May 23, 1952
82nd-2nd, No. 89

CONTENTS

HIGHLIGHTS: House passed foreign-aid bill. Senate passed housing bill. Senate committee ordered reported road-authorization bill. President recommended changes in personnel laws.

HOUSE

1. FOREIGN AID. Passed, 245-110, with amendments H. R. 7005, to extend the Mutual Security Program. By a 221-137 vote, adopted the Vorys amendment to reduce economic aid by $615,300,000. By a 182-165 vote, agreed to a Vorys amendment to cut the authorization for Asia by $111,000,000 and separate the military authorization from the Point 4 authorization. Also agreed to an amendment to limit the dollar costs for supplies, equipment, and commodities in the technical assistance program. (pp. 5957-6010.)

2. PERSONNEL. Both Houses received a message from the President transmitting the annual report of the Civil Service Commission for the fiscal year 1951 and making legislative recommendations as follows: (1) Modernization of examining and recruitment procedures as provided in S. 1135; (2) authorization for additional super-grade positions; (3) authority for Federal agencies to assign selected personnel to educational institutions and other organizations for professional and technical training; (4) unemployment compensation coverage for Federal employees (pp. 6012, 5953).

3. VETERANS' BENEFITS. Both Houses received a message from the President recommending a complete study of veterans' benefit programs and their relation to social insurance and other general welfare programs (pp. 6012, 5953).

4. TOBACCO. Received from this Department a proposed bill to modify the minimum acreage allotment provisions regarding Burley tobacco; to Agriculture Committee (p. 6016).

5. IMMIGRATION. House conferees were appointed on H. R. 5678, to revise the immigration and naturalization laws (p. 5955). Senate conferees have been appointed.

6. IMPORT CONTROL. Rep. Eberharter spoke against Sec. 104 of the Defense Production Act, providing for import controls against cheese, etc. (p. 5955).

7. PROPERTY MANAGEMENT. The Expenditures in the Executive Departments Committee submitted a report, "Federal Supply Management (Overseas Survey)" (H. Rept. 1994)(p. 6016).

8. ADJOURNED until Mon., May 26 (p. 6014). LEGISLATIVE PROGRAM for this week, as announced by the Majority Leader: Mon., D. C. bills; Tues., road-authorization bill; Wed. and Thurs., Puerto Rican constitution and probably emergency-powers continuation; Fri., holiday (p. 5956).

SENATE

9. HOUSING. Passed as reported S. 3066, the housing bill, which includes a provision continuing the authorization for USDA housing loans (pp. 5936-9).

10. EMERGENCY POWERS. Passed without amendment S. J. Res. 156, extending for 15 more days certain emergency war powers (p. 5936).

11. ROADS. The Public Works Committee ordered reported (but did not actually report) with clarifying amendments S. 2437, the road authorizations bill, which includes provisions for forest highways and forest development roads and trails (p.D492).

12. PERSONNEL RETIREMENT. Discussed and postponed action on S. 2968, amending the Civil Service Retirement Act so as to increase the annuity payments received by retired employees (pp. 5952-3).

13. FOREIGN AID. S. 3086, the foreign-aid bill, was made the unfinished business (p. 5950).

14. RECESSED until Mon., May 26 (p. 5953).

BILLS INTRODUCED

15. IMPORT CONTROL; PRICE SUPPORT. S. 3224, by Sen. Mundt, to amend the Tariff Act of 1930, so as to impose a special equalization duty upon agricultural commodities for which price support has been made available and a parity price established; to Finance Committee (p. 5935).

16. PERSONNEL. H. R. 7970, by Rep. Mansfield, to amend the Civil Service Retirement Act of May 29, 1930, to authorize lump-sum payments in lieu of annuities to certain widows of officers and employees to whom such act applies; to the Post Office and Civil Service Committee (p. 6017).

H. R. 7971, by Rep. Morrison, to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to Post Office and Civil Service Committee (p. 6017).

H. R. 7972, by Rep. Morrison, to amend the Civil Service Retirement Act; to Post Office and Civil Service Committee (p. 6017).

17. LIVESTOCK. H. R. 7975, by Rep. Lyle, to amend section 112 (f) of the Internal Revenue Code to provide that the sale of cattle necessitated by drought conditions shall be deemed an involuntary conversion of property; to Ways and Means Committee (p. 6017).

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PROCEEDINGS AND DEBATES OF THE 82d CONGRESS, SECOND SESSION

Vol. 98 WASHINGTON, FRIDAY, MAY 23, 1952 No. 89

Senate

(*Legislative day of Monday, May 12, 1952*)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, source of all love and wisdom, to whom the distinctions and differences which so often divide us and loom so large in our eyes are but as dust in the balance, brushing aside all illusions and trivialities, grant us now a sense of unity of motive and of purpose admist all diversities of thought. Our mercy is so soon exhausted, but Thy mercy to all mankind is like the wideness of the sea. Our forgiveness so quickly turns to retaliation, but Thy forgiveness endures even to 70 times 7.

Help us this day to regard one another with the sympathy and understanding of those who face a common destiny, as we dwell together under a divine fatherhood. May we be conscious of the fallible elements in ourselves, even as we deal with our fellows in all the tangled questions which together we share. Amid all the losses which need must come with the corroding years, may we never lose our self-respect nor forfeit the confidence of those who trust us now because we trust in Thee. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 22, 1952, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2786) to amend section 106 (c) of the Housing Act of 1949.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 5678) to revise the laws relating to immigration, naturalization, and nationality; and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WALTER, Mr. CHELF, Mr. WILSON of Texas, Mr. DONOHUE, Mr. GRAHAM, Miss THOMPSON of Michigan, and Mr. CASE were appointed managers on the part of the House at the conference.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to transact routine business, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. O'CONOR:

S. 3221. A bill to amend the Labor-Management Relations Act, 1947, in order to protect the national health and safety against the consequences of certain labor-management disputes; to the Committee on Labor and Public Welfare.

By Mr. JENNER:

S. 3222. A bill for the relief of Alice Power and Ruby Power; to the Committee on the Judiciary.

By Mr. LODGE:

S. 3223. A bill for the relief of Guntram Weissenberger; to the Committee on the Judiciary.

By Mr. MUNDT:

S. 3224. A bill to amend the Tariff Act of 1930, so as to impose a special equalization duty upon agricultural commodities for which price support has been made available and a parity price established; to the Committee on Finance.

By Mr. McKELLAR:

S. 3225. A bill to incorporate the National Safety Council; to the Committee on the Judiciary.

By Mr. O'CONOR:

S. J. Res. 157. Joint resolution to advise the President of the United States concerning the will of Congress respecting the labor dispute in the basic steel-manufacturing industry; to the Committee on Labor and Public Welfare.

MUTUAL SECURITY ACT OF 1952—AMENDMENTS

Mr. LONG submitted several amendments intended to be proposed by him to the bill (S. 3086) to amend the Mutual Security Act of 1951, and for other purposes, which were ordered to be printed and to lie on the table.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. BRICKER:

Editorial entitled "Let's Keep Our Bill of Rights," written by Donald R. Wilson, national commander of the American Legion, and published in the May 1952 issue of the Kiwanis magazine.

By Mr. MUNDT:

Article entitled "United States-to-Europe TV Is Studied as Global Link," published in the New York Herald Tribune of May 18, 1952, and an editorial entitled "TV to Europe," published in the New York Herald Tribune of May 19, 1952.

NATIONAL MARITIME DAY

Mr. O'CONOR. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement prepared by me relative to the national observance of Maritime Day.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR O'CONOR IN CONNECTION WITH MARITIME DAY OBSERVANCE, MAY 22, 1952

The Nation yesterday observed National Maritime Day. It would be gratifying in the extreme to be able to say that in recent years the United States has made great progress toward that shipping and ship-construction self-sufficiency which the needs of peace as well as war demand so emphatically.

Unfortunately, such progress cannot be reported. Despite all the efforts of maritime-minded Members of the Congress, our Nation has floundered badly in the matter of building up its dry-cargo fleet, and particularly in the matter of construction of

fast passenger vessels, capable of conversion to troop transports in an emergency. But while our Government has fallen short with regard to this most important segment of our national economy, other nations of the world have stepped forward in the matter of ship construction to the point where the United States now occupies a poor seventh place among the shipbuilding countries of the world.

National observance of Maritime Day as a day on which to focus attention on the accomplishments—and the needs—of the merchant marine could, and was intended to, be most effective as a means of promoting the American merchant marine which so badly needs promotion today. Despite all the pleasant statements which have been made in recent years, however, the unpleasant fact remains that very little has been done either in the way of adequate immediate additions to available shipping facilities, or in the development of a long-range shipping program which would insure a continuing supply of modern, competitive vessels, and would enable the shipyards of the country to be maintained on a going basis.

Yes, we have withdrawn a number of old Liberty ships of World War II from the reserve fleet and turned them over to the National Shipping Authority, to a total of approximately 800 since the outbreak of Korean hostilities. What is not so gratifying is that practically all the better cargo ships have been taken out of the reserve and the old Libertys, the only ones now remaining, are poor substitutes at best, to meet the competition of modern shipping needs.

Forced by the emergency, just as we were impelled by even greater emergencies at the outbreak of World Wars I and II, the country has launched a construction program of a faster type of dry cargo vessel worthy to compete with the newer vessels of other nations. Some 35 of these new *Mariner* class vessels were authorized. But this number falls far short of present needs in this field, not to mention the additional requirements which any full-scale emergency would bring.

In the field where our deficiency is greatest, namely, that of passenger-type vessels, suitable for use as troop carriers, the new steamship *United States*, which has just completed its trial runs, is a splendid example of what we should have. But it is one isolated vessel of its type. Capable of handling 14,000 troops in times of emergency, the steamship *United States* nevertheless will be, in the final analysis, but an addition to a woefully undersized passenger-type fleet which now represents less than half of the number of such vessels available at the beginning of World War II, while the actual passenger-carrying capacity of these vessels is little more than a third of what the World War II vessels were able to transport.

In extolling today, therefore, the heroic achievements of the United States merchant marine during World War II and following the initial Korean aggression, let us temper our gratification at these exploits, glorious as they have been, with thought of what might well happen in another emergency, unless the Congress thoroughly realizes the situation as it is, and takes positive steps to put into effect promptly a realistic program of construction and maintenance.

It was my privilege to introduce, in connection with the distinguished Senator from Washington, Mr. MAGNUSON, S. 241, known as the long-range shipping bill, passed by the United States Senate after extended hearings, on August 16. It was presented to the House the following week and hearings have been held by the House Committee on Merchant Marine and Fisheries.

At both the Senate and House hearings, representatives of labor and management in the shipping and ship-construction field emphasized the need of a well-considered program, to replace the hit-and-miss emergency programs which were the rule in the three major emergencies that have developed in the last 40 years.

S. 241 lays down certain basic provisions designed to make construction and operation of dry cargo and, particularly, fast passenger-type vessels attractive to private industry. The purposes and provisions of the bill have been so thoroughly propounded that it is needless to detail them now. The thought worthy of real emphasis, however, is that they seek to correct unsatisfactory conditions in the shipping and shipbuilding field, in a manner which has received administration approval and the fullest support of both labor and industry.

I take this occasion, therefore, simply to voice the hope that with the emphasis laid upon current maritime needs in connection with 1952 observance of the day, the country may find itself well on the way, before another Maritime Day observance rolls around, toward a substantial and positive program which will be a guide and an assurance of security through the years ahead.

TEMPORARY EXTENSION OF CERTAIN PROVISIONS OF THE WAR POWERS ACT

Mr. McCARRAN. Mr. President, does the majority leader care to suggest the absence of a quorum?

Mr. McFARLAND. Mr. President, I understand the Senator from Nevada desires to call up Senate Joint Resolution 156, which provides for a temporary extension of the War Powers Act. Our procedure will depend to some extent upon the wishes of the distinguished minority leader.

I understand that the joint resolution provides for an extension of the act for 15 days, and that the joint resolution was unanimously approved by the committee.

Although I shall suggest the absence of a quorum in a few minutes, the minority leader advises me that it is satisfactory with him to proceed with the joint resolution.

Mr. McCARRAN. Mr. President, I may state that there is on the Calendar Order No. 1524, Senate Joint Resolution 156, a joint resolution to continue the effectiveness of certain statutory provisions until June 15, 1952. This joint resolution provides for a continuation of the War Powers Act as it is at the present time. A study of the act is now being made by the Senate Committee on the Judiciary, and will soon be completed. The question is also being studied by the Judiciary Committee of the House, but it has been reported to us that there may be some delay on the floor of that body. So we thought it necessary, in view of the fact that the War Powers Act will expire on the 1st of June, to agree to the Senate joint resolution extending the act until June 15.

The VICE PRESIDENT. Does the Senator ask unanimous consent for the present consideration of the joint resolution?

Mr. McCARRAN. I should like to do so, if the majority leader is agreeable.

Mr. McFARLAND. Yes; that is agreeable. The distinguished minority leader says he has no objection.

Mr. McCARRAN. Then I ask that the joint resolution be considered out of order.

The VICE PRESIDENT. The clerk will state the joint resolution by title.

The LEGISLATIVE CLERK. Senate Joint Resolution 156, continuing the effectiveness of certain statutory provisions until June 15, 1952.

Mr. O'CONOR. Mr. President, may I ask the Senator from Nevada whether it is not true that the Committee on the Judiciary unanimously reported the joint resolution with the approval of Senators on both sides; that every Senator present indicated his desire that the joint resolution be passed?

Mr. McCARRAN. That is correct.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the joint resolution entitled "Joint resolution to continue the effectiveness of certain statutory provisions until June 1, 1952," approved April 14, 1952 (Public Law 313, 82d Cong.), is amended by striking out "June 1, 1952" wherever it appears in such joint resolution and inserting in lieu thereof "June 15, 1952."

HOUSING ACT OF 1952

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which is Senate bill 3066.

The Senate resumed the consideration of the bill (S. 3066) to amend the defense-housing laws, and for other purposes.

The VICE PRESIDENT. The amendments of the Committtee on Banking and Currency will be stated.

The amendments were stated, as follows:

On page 2, line 22, after the word "exceed", to strike out "$2,500,000,000" and insert: "$1,900,000,000: *And provided further*, That $400,000,000 of said sum shall be available only for the insurance of mortgages for which no insurance contract or commitment to insure under this act was outstanding on June 30, 1952, and which mortgages (1) cover defense housing programed by the Housing and Home Finance Agency in an area determined by the President or his designee to be a critical defense housing area, or (2) are insured under title VIII of this act, or (3) cover housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster."

On page 3, line 11, after the word "with", to insert "insured"; in line 14, after the word "words", to insert "insured."

On page 4, line 19, after the word "exceed", to strike out "$1,552,000,000" and insert "$1,152,000,000."

On page 5, line 2, after the word "inserting", to strike out "$4,050,000,000" and insert "$3,650,000,000"; in line 11, after the word "substituting", to strike out "$160,000,000" and insert "$100,000,000"; in line 13, after the word "substituting", to strike out "$250,000,000" and insert "$100,000,000."

On page 6, line 7, after the word "inserting", to strike out "$25,000,000" and insert "$20,000,000."

On page 9, line 1, after "(3)" to insert "and after 'Virgin Islands,' in section 3"; in line 19, after the word "and", to strike out "such" and insert "an"; in the same line, after the word "additional", to strike out "sums" and insert "$100,000,000"; in line 20, after the numerals "1953", to strike out the comma and "as the Congress may from time to time determine"; after line 21, to strike out:

"(b) At the end of section 512 just before the period insert a comma and the language 'and to make additional commitments on and after July 1, 1953, for additional contributions aggregating not more than $2,000,000 per annum.'

"(c) In section 513 just before the last semicolon insert a comma and the language 'and such further amounts on and after July 1, 1953, as the Congress may from time to time determine.'"

And in lieu thereof to insert:

"(b) In section 512, (i) strike 'and 1952' and insert '1952, and 1953', and (ii) strike 'and $2,000,000' and insert '$2,000,000 and $2,000,000.'

"(c) In section 513, strike 'and $10,000,000 on July 1 of each of the years 1950, 1951, and 1952' and insert '$10,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, 1952, and 1953.'"

And after line 13, to insert:

"SEC. 12. The first paragraph of subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by adding at the end thereof the following new sentence: 'In addition to the loans and investments otherwise authorized, such associations may purchase, subject to all the provisions of this paragraph except the area restriction, loans secured by first liens on improved real estate which are insured under the provisions of the National Housing Act, as amended, or insured as provided in the Servicemen's Readjustment Act of 1944, as amended.'"

So as to make the bill read:

Be it enacted, etc., That this act be cited as the "Housing Act of 1952."

SEC. 2. Section 217 of the National Housing Act, as amended, is hereby amended to read as follows:

"SEC. 217. Notwithstanding limitations contained in any other section of this act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time) and on the aggregate amount of contingent liabilities which may be outstanding at any one time under insurance contracts, or commitments to insure, pursuant to any section or title of this act, any such aggregate amount shall, with respect to any section or title of this act (except sec. 2), be prescribed by the President from time to time taking into consideration the needs of national defense and the effect of additional insurance authorizations upon conditions in the building industry and upon the national economy: *Provided*, That the dollar amount of the insurance authorization prescribed by the President at any time with respect to any provision of title VI shall not be greater than authorized by provisions of that title: *And provided further*, That at any time, the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this act, plus the aggregate dollar amount of all increases in insurance authorizations under other titles of this act prescribed by the President pursuant to authority contained in this section, less the aggregate dollar amount of all decreases in insurance authorizations under this act prescribed by the President pursuant to authority contained in this section shall not exceed $1,900,000,000: *And provided further*, That $400,000,000 of said sum shall be available only for the insurance of mortgages for which no insurance contract or commitment to insure under this act was outstanding on June 30, 1952, and which mortgages (1) cover defense housing programed by the Housing and Home Finance Agency in an area determined by the President or his designee to be a critical defense housing area, or (2) are insured under title VIII of this act, or (3) cover housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster."

SEC. 3. (a) Section 301 (a) (1) of said act, as amended, is hereby amended—

(1) by striking the words beginning with "insured after April 30, 1948" and ending with the colon at the end of the first proviso thereof and inserting the words: "insured under this act, as amended, or insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended: *Provided*, That no such mortgage, except defense or disaster mortgages as defined in subparagraph (G) hereof, shall be purchased by the association unless insured or guaranteed after February 29, 1952, or purchased pursuant to a commitment made by the association:";

(2) by striking from subparagraph (E) "pursuant to authority contained herein, exceeds 50 percent of the original principal amount of all mortgages made by such mortgagee" and inserting "after February 29, 1952, pursuant to authority contained herein, exceeds 50 percent of the original principal amount of all mortgage loans made by such mortgagee that are insured or guaranteed after February 29, 1952";

(3) by striking the proviso in subparagraph (E) and inserting "*Provided*, That this clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G)"; and

(4) by striking from the proviso in subparagraph (G) "which do not exceed $252,000,000 outstanding at any one time, if applications for such commitments were received by the Association prior to December 28, 1951, or, in the case of title VIII mortgages, if the Federal Housing Commissioner issued his commitment to insure prior to December 31, 1951, but subsequent to December 27, 1951, and if such commitments of the Association relate to" and inserting "and prior to July 1, 1953, which do not exceed $1,152,000,000 outstanding at any one time, if such commitments of the Association relate to defense or disaster mortgages. As used in this title III, 'defense or disaster mortgages' means."

(b) Section 302 of said act, as amended, is hereby amended (1) by striking "$2,750,000,000" and inserting "$3,650,000,000"; and (2) by adding before the period at the end of the first sentence of said section ": *Provided*, That not more than $2,750,000,000 of such total amount outstanding at any one time shall relate to mortgages other than defense or disaster mortgages as defined in section 301 (a) (1) (G)."

SEC. 4. Section 313 of the Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by striking out "$60,000,000" in paragraph (a) thereof and substituting "$100,000,000" and by striking out "$50,000,000" in paragraph (b) thereof and substituting "$100,000,000."

SEC. 5. The first sentence of section 302 (b) of the Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by adding after the words "for reuse at other locations" the words "or existing housing built or acquired by the United States under authority of other law."

SEC. 6. Section 611 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is hereby amended by inserting "or section 313 of this act" immediately preceding the parenthetical clause, and by striking out "to this title" at the end of the parenthetical clause and inserting in lieu thereof "thereto."

SEC. 7. The first sentence of section 3 (b) and the first sentence of section 3 (d) of the Alaska Housing Act, approved April 23, 1949, as amended, are hereby amended by striking "$15,000,000" and inserting "$20,000,000."

SEC. 8. Title II of the National Housing Act, as amended, is hereby amended by adding the following new section:

"SEC. 218. In any case where an application for mortgage insurance under section 608 of this act was received by the Federal Housing Commissioner on or before March 1, 1950, and a commitment to insure was issued by said Commissioner in accordance therewith any mortgagee who, prior to the expiration of such commitment, applied for insurance of a mortgage under section 207 of this act with respect to the same property or project shall receive credit for all application fees paid in connection with the prior application: *Provided*, That nothing therein shall constitute a waiver of any requirements otherwise applicable to the insurance of mortgages under section 207 of this act."

SEC. 9. The Secretary of the Treasury is hereby authorized and directed from time to time to credit and cancel the note or notes of the Housing and Home Finance Administrator executed and delivered in connection with loans transferred from the Reconstruction Finance Corporation to the Housing and Home Finance Agency pursuant to Reorganization Plan No. 23 of 1950 (64 Stat. 1279), to the extent of the net loss, as determined by the Secretary of the Treasury, sustained by said Agency in the liquidation of defaulted loans. The net loss shall be the sum of the unpaid principal and advances for care and preservation of collateral, together with accrued and unpaid interest on said principal and advances, and all expenses and costs (other than those subject to administrative expense limitations) in connection with the liquidation of defaulted loans, less the amount actually realized by the Housing and Home Finance Agency on account of such defaulted loans.

SEC. 10. (a) The National Housing Act, as amended, is hereby amended—

(1) by adding at the end of section 8 the following new section 9:

"SEC. 9. The provisions of sections 2 and 8 shall be applicable in the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and th Virgin Islands.";

(2) by adding "Guam" after the words "District of Columbia," in each place where they appear in sections 201 (d), 207 (a) (7), 301 (c) (4), 601 (d), and 801 (f);

(3) by inserting in section 214—

(A) the words "or in Guam" after the word "Alaska" in each place where it appears in said section,

(B) the words "or maxima" after the word "maximum", and

(C) the words "or the Government of Guam or any agency or instrumentality thereof" after the words "Alaska Housing Authority" in each place where they appear in said section;

(4) by adding at the end of section 713 the following new subsection (q);

"(q) 'State' shall include the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands."; and

(5) by deleting the words "or Territory" in section 403 (a) and inserting in lieu thereof the words "Territory, or possession."

(b) The Home Owners' Loan Act of 1933, as amended, is hereby amended by adding a comma and "Guam," after the words "Puerto Rico" in section 7 thereof.

(c) The Federal Home Loan Bank Act, as amended, is hereby amended by adding "Guam," after "District of Columbia," in section 2 (3) and after "Virgin Islands," in section 3 thereof.

(d) The Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by adding at the end of section 401 the following: "This title shall be applicable in the several States, the District of Columbia, and the Territories and possessions of the United States."

(e) Section 102b of the Housing Act of 1948, as amended, is hereby amended by adding at the end thereof the following: "Such powers, functions, and duties may be exercised in the several States, the District of Columbia, and the Territories and possessions of the United States."

SEC. 11. Title V of the Housing Act of 1949, as amended, is hereby amended as follows:

(a) In the first sentence of section 511 immediately following the phrase "July 1, 1951," strike the word "and" and insert at the end of the sentence just before the period a comma and the language "and an additional $100,000,000 on and after July 1, 1953."

(b) In section 512, (i) strike "and 1952" and insert "1952, and 1953", and (ii) strike "and $2,000,000" and insert "$2,000,000 and $2,000,000."

(c) In section 513, strike "and $10,000,000 on July 1 of each of the years 1950, 1951, and 1952" and insert "$10,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, 1952, and 1953."

SEC. 12. The first paragraph of subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by adding at the end thereof the following new sentence: "In addition to the loans and investments otherwise authorized, such associations may purchase, subject to all the provisions of this paragraph except the area restriction, loans secured by first liens on improved real estate which are insured under the provisions of the National Housing Act, as amended, or insured as provided in the Servicemen's Readjustment Act of 1944, as amended."

Mr. BRIDGES. Mr. President, it is my understanding from the minority members of the Committee on Banking and Currency whom I have been able to contact that they are in accord with regard to this bill. None of them are on the floor at the moment, but I assume, from everything I have been able to learn, that they are in accord with the amendments reported by the committee. So on the part of the minority I am registering no objection.

The VICE PRESIDENT. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The VICE PRESIDENT. The committee amendments having been agreed to, the bill is open to further amendment.

Mr. McFARLAND. Mr. President, the chairman of the committee may have other amendments to offer. In order that he may be present, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the order for the quorum call be vacated, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 3066) was passed.

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared regarding the bill just passed by the Senate. The reason why I did not undertake a thorough explanation of the bill was that it was unanimously reported by the Committee on Banking and Currency and there seemed to be no opposition to it.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAYBANK

Senate bill 3066 was reported unanimously by the Committee on Banking and Currency. It consists primarily of increases in defense authorizations which are essential to carrying out the Defense Housing and Community Facilities Act, passed by Congress last year.

I wish to call to the particular attention of the Members of the Senate the table on page 1 of the committee's report on the bill, showing the amounts of the increases in the dollar authorizations both in the bill as introduced and as reported by your committee. It will be noted the committee cut the total amount by almost 50 percent. We firmly believe that we have made the maximum reductions in these authorizations which can be made without preventing urgent defense needs from being met in critical defense housing areas. We believe the amounts are adequate, however, to continue operations under the Defense Housing and Community Facilities Act until the next Congress has had full opportunity to consider any further needs.

Since Congress passed the law last year to meet the urgent need for defense housing and community facilities as a result of the conflict in Korea, the one big problem in providing housing for defense workers has been the lack of private funds for housing mortgages. Unfortunately this private housing program for defense areas has been undertaken during a period of general shortages of mortgage money. Furthermore, the principal mortgage lenders have generally avoided investment in needed defense housing in these areas on the apparent ground that it is more risky than investment in other areas where they feel more certain that the housing need will be permanent. This is similar to the attitude which existed in 1941 at the beginning of the FHA's title VI war housing insurance program.

Because a shortage of private money was developing last summer and because of the need of getting defense housing under way, the legislation passed last year included special provisions to permit FNMA to use up to $200,000,000 of its funds to make advance commitments for the purchase of mortgages to finance defense housing. This has produced the bulk of defense housing on which construction has started. About 80,000 units of defense housing have been programed under the act and construction has started on less than 17,000 units. The advance commitments under the 1951 act have covered about three-fourths of all the units under construction.

The Banking and Currency Committee has been very concerned about this problem for some time. As I explained in my statement at the time S. 3066 was introduced, your committee held extensive round-table hearings on mortgage financing earlier this year. These hearings were attended by representatives of major sources of mortgage funds, by operative builders, and by appropriate Government officials. The entire problem of financing defense housing was thoroughly considered, and all possible means of meeting the problem were fully explored.

From that meeting it was very clear that the only alternatives to financing private construction of defense housing at this time are: (1) Direct loans by the Government, (2) the advance commitment procedure of the FNMA.

Your committee has been reluctant to agree to the use of FNMA advance commitment procedure. This is due to the considered judgment of your committee, based on experience of FNMA with advance commitments several years ago, that they should be kept at a minimum and not used as a primary source of funds for the housing programs of the Federal Government. In agreeing to the advance commitment authorization of $900,000,000 provided in this bill, these important factors were considered:

First, and most important, as indicated above, there is available no other ready alternative except advance commitments to get the needed defense housing started. There has been too much delay already. There is no prospect of the mortgage market changing in sufficient time and to such an extent as to make an adequate supply of mortgage funds available to meet defense housing needs promptly.

Second, the bill contains very definite limitations on the use of the advance commitment authorization. It is limited to the amount required to meet the needs of programed defense housing under the 1951 act, military housing under the Wherry-Maybank Act, and disaster housing. The authorization is limited to June 30, 1953.

Third, since the transfer in 1950 of FNMA to the Housing Agency the operations of the Association have been tightened up generally, and many of the earlier abuses with which we were concerned have been corrected. The Agency has substantially reduced administrative expenses and has carefully conserved its available authorizations, notwithstanding the tight private mortgage market which has existed. Through proper administration, the advance commitment authorization can be conserved and abuses avoided.

Fourth, the general effect of the provisions is restrictive upon long-range operation. Although the increase in FNMA purchasing authority provided in the bill would release some funds for use in the general housing market, all future FNMA operations in that field would be subject to new restrictions as to the eligible base date and percentage of loans made by a lender that may be sold to FNMA. All of the FNMA operations would be further subject to administrative restriction by the fee provisions of the bill, which permit increases in the fees and which are intended to be flexible enough and broad enough to allow FNMA to prevent wholesale dumping by mortgagees of their less desirable loans and to discourage individual mortgagees from selling all their loans to FNMA.

I hope the Administrator of FNMA will use these powers in accordance with changing market conditions and with courage.

Although there is no express provision in the bill on the subject, the authorization of the prior commitment authority for critical defense areas, etc. will have the effect of releasing about $360,000,000 for regular over-the-counter purchases by FNMA. This will

provide an important source of secondary credit for GI home loans as well as some FHA loans in nondefense areas.

The FNMA provisions to which I have just referred are of major interest to the Members of the Senate. However, there are other important provisions of the bill to which I shall only make a brief reference, since most of the Members of the Senate are already quite familiar with the various programs to which they relate. It will be noted how drastically we cut each of the authorizations to what, in your committee's opinion, represents the very minimum possible. I am confident that no one can by the wildest stretch of the imagination accuse us of even prudent generosity. We cut to the bone.

1. FHA: The additional $1,000,000,000 insurance authorization, as originally proposed in the bill, was reduced to a $400,000,000 increase, and the use of the new authorization was limited to programed defense housing in critical defense-housing areas, military housing under the Wherry-Maybank Act, and disaster housing.

2. Community facilities: The proposed increase of $100,000,000 in the present $60,000,000 authorization for community facilities was reduced to $40,000,000, making the total authorization for community facilities $100,000,000, instead of $160,000,000 as originally proposed.

3. Direct housing construction by the Federal Government: The proposed increase of $200,000,000 in the present $50,000,000 authorization for housing under title III of Public Law 139 was reduced to $50,000,000, making the total authorization for housing under that title $100,000,000, instead of $250,000,000 as originally proposed.

4. Alaska housing: The proposed $10,000,000 increase in the present authorization for Alaskan housing was reduced to $5,000,000, making the total authorization for Alaska housing $20,000,000, instead of $25,000,000 as originally proposed.

5. Farm housing: Instead of the open-ended extension of the power to make loans for homes and buildings on adequate farms pursuant to section 502 (a) of Public Law 171, the power was extended for 1 year, with authority to make not exceeding an additional $100,000,000 in such loans.

Instead of the open-ended authorization to make contributions in connection with loans for housing and buildings on potentially adequate farms pursuant to section 503 of Public Law 171, the power was extended for 1 year, with authority to make not exceeding an additional $2,000,000 in contributions per annum.

Instead of the open-ended extension of the power to make special loans and grants for minor improvements for housing and buildings pursuant to section 504 of Public Law 171, the power was extended 1 year, with authority to make not exceeding an additional $10,000,000 in such special loans and grants.

6. Federally chartered savings and loan associations: In connection with federally chartered savings and loan associations, an amendment was added to eliminate the present provisions of law which limit to 15 percent of assets the amount of mortgages which can be purchased outside the 50-mile limit of the institution's home office, FHA-insured loans, or VA-guaranteed loans.

In conclusion, I want to say that this complicated and difficult bill was worked out by the committee in a spirit of harmony and unity of objective. By a process of give and take and a fair and objective appraisal of the need and the means available to meet the problem, in my humble opinion, we have recommended to the Senate a bill which should involve no controversy, and which, I assure Senators, they should have no hesitancy in fully supporting.

Mr. MAYBANK subsequently said: Mr. President, will the Senator yield?

Mr. McFARLAND. I yield to the distinguished Senator from South Carolina.

Mr. MAYBANK. Mr. President, I should like to state that, because of the absence of the Senator from New Mexico [Mr. CHAVEZ], who was extremely busy in the Committee on Public Works, preparing for the Senate a very important bill on aid to highways, he was unable to offer an amendment to the Housing Act of 1952, which I had agreed to accept. He brought the amendment to my attention last week, and I had the staff of the committee give careful study to it. I also consulted the Housing and Home Finance Agency as to their views on the amendment. Both the staff and the agency agreed that it was a desirable amendment, and, accordingly, I informed the Senator from New Mexico that I would accept his amendment. The bill was passed before the Senator from New Mexico could reach the floor.

I am not going to ask unanimous consent that the bill be reconsidered and the amendment of the Senator from New Mexico be accepted because I realize it may establish a precedent. However, I should like to have this statement appear in the RECORD for the benefit of the Members of the House, in order that some Members of the House may offer the amendment which we had agreed to accept.

Mr. CHAVEZ. Mr. President, I was attending a meeting of the Public Works Committee which has been considering the highway bill. I was delayed until approximately 10 minutes ago. I had discussed the amendment with the Senator from South Carolina.

Mr. MAYBANK. Mr. President, the only thought I had was that I did not wish to establish a precedent in the Senate. I want to make a record for the Senator from New Mexico. As I said, he had discussed his amendment with me and also discussed the amendment with the staff. Of course, I could move to reconsider the vote by which the bill was passed, but I do not want to delay the Senate. I had a minor amendment which I intended to offer myself, providing that the position of President of FNMA be placed in grade GS-17, but rather than delay the bill's passage I did not move it. If the bill is not reconsidered I shall ask the distinguished chairman of the House Banking and Currency Committee [Mr. SPENCE] to add these amendments to the bill when the House committee considers it.

Mr. CHAVEZ. Mr. President, I have given the reason for the delay. The amendment had been discussed with the Senator from South Carolina. As chairman of the committee, he received a report on the amendment from the Housing and Home Finance Agency, under date of May 15, approving the amendment.

I hope the Senate will bear with me, in view of the fact that it was not a matter of neglect on my part. I was delayed in the Committee on Public Works.

The public-roads bill will be reported to the Senate on Monday, probably, at the latest. I hope the Senate will give unanimous consent to reconsider the vote by which the bill was passed, for the purpose of permitting me to offer a very short amendment. I think it will not take half a minute for it to be adopted by the Senate.

Mr. McCARRAN. Mr. President, I dislike to object, but if we can establish a precedent for such action as has been suggested, we can establish a precedent for similar action to be taken many days after a bill has passed. So I am constrained to object. I am sorry to do so.

The VICE PRESIDENT. Objection is heard.

Mr. McFARLAND. Mr. President, I regret that I did not give notice of the consideration of other bills.

SOME SIGNIFICANT TRENDS OF AMERICAN GOVERNMENT DURING THE PAST TWO DECADES

Mr. HENDRICKSON. Mr. President, that our country faces dangerous trends both at home and abroad no one will deny—nor can they—and the trend here in the Nation's Capital toward an ever greater concentration of power in the executive branch constitutes one of the greatest threats to free government anywhere in the world.

Therefore, Mr. President, it is encouraging and heart-warming in these crucial days to know that fine citizens are standing by with calm dignity and profound thought to lend aid and comfort to those of us who are charged with the tremendous responsibility of maintaining the constitutional and economic balance of the Republic.

Mr. President, I hold in my hand a letter from a distinguished citizen of New Jersey which bespeaks some very profound thoughts upon the state of our Nation. I not only commend its reading to every Member of the Senate, but I also strongly urge that Senators seriously study the basic truths which the letter encompasses.

In order that it may be available for future reference I ask unanimous consent that the letter be printed in the body of the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEWARK, N. J., *May 1, 1952.*

Hon. ROBERT C. HENDRICKSON,
The United States Senate,
Washington, D. C.

DEAR SENATOR HENDRICKSON: One of the most significant trends of American Government during the past two decades has been the enormous inflation of the power of the Chief Executive. Historically this development finds its roots in the conditions which existed in the depths of the depression when the very fact of a change in personnel and sudden dramatic executive action had an electrifying psychological effect on the populace. In succeeding years the Presidents have capitalized on this reaction to seize greater and greater powers. The Congress, on the other hand, largely because of obviously poor press agentry, and because of the fear of opposing what seemed to be

the popular will, surrendered its authority.

Good management in any government, as in any household, requires that authority and responsibility be coextensive. Too often in these past years Congress has yielded to executive pressures and has signed blank checks—yet it has left itself in the position of having to take the blame by not fixing the responsibility at the same time. Too much has been left to executive "discretion."

The opportunity is now afforded to correct the trend. The people are encouraged by the courageous action of Judge Pine who saw that in the balancing of conveniences the consequences of a strike in steel, disastrous as they might well be, would be far less a price to pay than the loss of fundamental American liberties.

Now is the very time for temperate yet bold congressional action to maintain the balance originally provided for by our constitutional form of government. The press reports that Senator WAYNE MORSE will introduce a bill in the House to legislate the steel plant seizure. This, though it will technically solve the administration's dilemma, would be no more of a solution of the fundamental problem than was the surrender of the Reichstag to Adolph Hitler.

On the other hand, the press reports that Representative SMITH of Virginia proposes to introduce a bill to provide for the continuance of production in emergencies by the appointment of a receiver for the employer and for the union. This is a step in the right direction and I respectfully offer the following thoughts for your consideration in connection with the debates and with possible amendments to the bill as it proceeds through Congress:

1. Certain industries have become so large as to be "affected with the public interest" in the sense that occasion may demand their regulation in the public interest. So have certain unions.

2. When conditions of emergency arise that threaten to affect the multitude who are innocent of any participation in the dispute or work stoppage, a Government agency should be authorized to seek the appointment of a receiver for both parties.

3. The agency should not be the President. The agency should be one directly interested in the production. In the case of railroads, telephone or telegraph service, radio or television, it should be the Interstate Commerce Commission or the Federal Communications Commission. In the case of steel or coal this responsibility should be vested in the Department of the Interior or the Department of Commerce. In carrying out this responsibility the agency should be responsible to Congress, as is the Comptroller General, and not to the President.

4. The receivers, when appointed, should operate the business of the employer and the union just as a receiver or trustee does under the acts relating to bankruptcy and reorganization. The parties can continue to negotiate. They will be able to do so without the force of pressure which a seizure of one side alone undoubtedly produces. The receivers can assist the parties in their negotiations. In the event of an impasse between the parties themselves, if the receivers can reach an agreement, the agreement can be embodied in a proposed plan which can then be submitted to the stockholders of the employer and to the members of the union. Then, if the required number on both sides approve, the result would be binding in the same fashion as it is in the case of corporate reorganization.

5. Admittedly this is a very sketchy presentation but it is offered for the more mature deliberation of you and your colleagues.

6. Lastly, there is a great danger in the many laws that depend on the declaration of a national emergency by the President. This danger should be eliminated by giving the President plenary powers (with obvious limitations such as a limitation against executions) but for a very limited period. The law should provide that if Congress is not in session a declaration of an emergency may not be made unless the President shall first have called Congress to convene. A limitation of 72 hours would, in view of rapid means of transportation, provide adequate opportunity for Congress to convene and the declared emergency would end unless Congress saw fit to extend it. Finally, any action taken by the Executive under such authority should create a corresponding right to anyone affected by the action so that he may have redress in damages or otherwise if it should be found that the action was unjustly taken. This would discourage the abuse of such total power.

Total power is a dangerous potential force anywhere, anytime. There are admitted constitutional safeguards against the exercise of total congressional power. Even were this not so I would prefer to see the country's fate directed by a half thousand men chosen from every corner of the country than by a single individual, whoever he might be, who might wake up some early morning and decide he was Napoleon.

Respectfully yours,

JOSEPH J. BIUNNO.

HEARINGS BEFORE COMMITTEE ON LABOR AND PUBLIC WELFARE IN CONNECTION WITH SEIZURE OF STEEL PLANTS

Mr. MORSE. Mr. President, there has been a considerable amount of discussion in the Senate between my colleagues and myself concerning the contents of certain hearings before the Committee on Labor and Public Welfare in connection with the Steel case. Several of my colleagues have expressed a desire to have published in the RECORD the testimony and examination of Secretary of Defense Lovett in the Steel case, in which testimony he discussed the serious nature of the emergency which existed at the eleventh hour, when the President decided to seize the steel mills. They have also suggested that I insert in the RECORD portions of the testimony of Mr. Feinsinger and Mr. Murray on the union shop issue. Therefore, I am about to ask unanimous consent to have printed in the body of the RECORD as a part of my remarks, without taking the time to read it all, the following material.

First, the testimony given at the hearings before the Committee on Armed Services by Secretary of Defense Lovett, covering the questions asked and the answers given at the hearing on the nature of the emergency in the Steel case. This testimony was given on April 24, 1952.

Second, the colloquy which took place in the Committee on Labor and Public Welfare on two different occasions between the junior Senator from Oregon and other Senators and Mr. Feinsinger, Chairman of the Wage Stabilization Board, with respect to the union shop issue. These discussions were held on April 15 and April 30, 1952.

Third, the portions of the hearings before the Committee on Labor and Public Welfare which consists of the colloquy that took place between the junior Senator from Oregon and other Senators and Mr. Philip Murray with regard to the union shop issue.

I ask unanimous consent that the material be printed in the body of the RECORD as a part of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF HON. ROBERT A. LOVETT, SECRETARY OF DEFENSE, ON NATURE OF STEEL CRISIS, BEFORE COMMITTEE ON LABOR AND PUBLIC WELFARE, APRIL 24, 1952

The CHAIRMAN. The hearing will come to order, please.

The witness this afternoon is Robert A. Lovett, Secretary of Defense of the United States, principal assistant to the President on matters within the Department of Defense.

We welcome you here this afternoon, Mr. Secretary, and we will be glad to have you make a brief statement.

STATEMENT OF HON. ROBERT A. LOVETT, SECRETARY OF DEFENSE OF THE UNITED STATES

Secretary LOVETT. Thank you, Mr. Chairman.

The committee has asked that I appear in connection with the possible effects of a steel strike on the defense programs. That subject was covered in an affidavit which I filed under date of September 14, and if it meets the pleasure of this committee I will read it for the record, sir.

The CHAIRMAN. That will be very satisfactory, sir.

Secretary LOVETT. Robert A. Lovett, being duly sworn, deposes and says that he is the Secretary of Defense of the United States and is the principal assistant to the President in all matters relating to the Department of Defense, and, under the direction of the President, he has direction, authority, and control over the Department of Defense, including the Departments of the Army, Navy, and Air Force, and the Munitions Board.

Pursuant to these statutory duties and in the exercise thereof, he has information relating to the problems of procurement, production, distribution, research, and development concerning the logistics requirements of the Armed Forces of the United States in weapons, arms, munitions, equipment, materials, and all other necessary supplies for the Armed Forces of the United States.

There exists a state of national emergency declared by the President on December 16, 1950. Communist aggression is forcing the free world to fight a limited war on the battlefield and an unlimited war of preparation and production.

United Nations armed forces, largely American, are today fighting a war with Communist armies and air forces in Korea. The French are fighting Communist forces in Indochina. There is a constant threat of further Communist military aggression in other areas. The men actually fighting Communist forces have been armed for the most part by American industry, and they are relying on American industry to supply the weapons and munitions they need in daily combat.

To meet this threat of further aggression, we have deployed military forces in Europe and elsewhere. Friendly nations have joined us and have assigned their own military units to hold the line alone and with our forces. The Russians are warned in the only language they understand that the free world stands united in its determination to remain free. These men on the line which may become the firing line at any time have been armed by western industry, largely American, and they are relying on our industry to supply an essential part of the weapons and munitions they must have to defend themselves and all of us.

S. 3066

AN ACT

82D CONGRESS
2D SESSION

S. 3066

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 1952

Referred to the Committee on Banking and Currency

AN ACT

To amend defense housing laws, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Housing Act of 1952".

SEC. 2. Section 217 of the National Housing Act, as amended, is hereby amended to read as follows:

"SEC. 217. Notwithstanding limitations contained in any other section of this Act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time) and on the aggregate amount of contingent liabilities which may be outstanding at any one time under insurance contracts,

1 or commitments to insure, pursuant to any section or title
2 of this Act, any such aggregate amount shall, with respect
3 to any section or title of this Act (except section 2), be
4 prescribed by the President from time to time taking into
5 consideration the needs of national defense and the effect of
6 additional insurance authorizations upon conditions in the
7 building industry and upon the national economy: *Provided,*
8 That the dollar amount of the insurance authorization pre-
9 scribed by the President at any time with respect to any
10 provision of title VI shall not be greater than authorized by
11 provisions of that title: *And provided further,* That, at any
12 time, the aggregate dollar amount of the mortgage insurance
13 authorization prescribed by the President with respect to
14 title IX of this Act, plus the aggregate dollar amount of all
15 increases in insurance authorizations under other titles of
16 this Act prescribed by the President pursuant to authority
17 contained in this section, less the aggregate dollar amount
18 of all decreases in insurance authorizations under this Act
19 prescribed by the President pursuant to authority con-
20 tained in this section shall not exceed $1,900,000,000:
21 *And provided further,* That $400,000,000 of said sum
22 shall be available only for the insurance of mortgages for
23 which no insurance contract or commitment to insure under
24 this Act was outstanding on June 30, 1952, and which
25 mortgages (1) cover defense housing programed by the

1 Housing and Home Finance Agency in an area determined
2 by the President or his designee to be a critical defense
3 housing area, or (2) are insured under title VIII of this
4 Act, or (3) cover housing intended to be made available
5 primarily for families who are victims of a catastrophe which
6 the President has determined to be a major disaster.".

7 SEC. 3. (a) Section 301 (a) (1) of said Act, as
8 amended, is hereby amended—

9 (1) by striking the words beginning with "insured
10 after April 30, 1948" and ending with the colon at the
11 end of the first proviso thereof and inserting the words:
12 "insured under this Act, as amended, or insured or guar-
13 anteed under the Servicemen's Readjustment Act of
14 1944, as amended: *Provided,* That no such mortgage,
15 except defense or disaster mortgages as defined in sub-
16 paragraph (G) hereof, shall be purchased by the Asso-
17 ciation unless insured or guaranteed after February 29,
18 1952, or purchased pursuant to a commitment made by
19 the Association:";

20 (2) by striking from subparagraph (E) "pursuant
21 to authority contained herein, exceeds 50 per centum of
22 the original principal amount of all mortgages made by
23 such mortgagee" and inserting "after February 29,
24 1952, pursuant to authority contained herein, exceeds
25 50 per centum of the original principal amount of all

mortgage loans made by such mortgagee that are insured or guaranteed after February 29, 1952";

(3) by striking the proviso in subparagraph (E) and inserting "*Provided,* That this clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G)"; and

(4) by striking from the proviso in subparagraph (G) "which do not exceed $252,000,000 outstanding at any one time, if applications for such commitments were received by the Association prior to December 28, 1951, or, in the case of title VIII mortgages, if the Federal Housing Commissioner issued his commitment to insure prior to December 31, 1951, but subsequent to December 27, 1951, and if such commitments of the Association relate to" and inserting "and prior to July 1, 1953, which do not exceed $1,152,000,000 outstanding at any one time, if such commitments of the Association relate to defense or disaster mortgages. As used in this title III, 'defense or disaster mortgages' means".

(b) Section 302 of said Act, as amended, is hereby amended (1) by striking "$2,750,000,000" and inserting "$3,650,000,000"; and (2) by adding before the period at the end of the first sentence of said section ": *Provided,* That

1 not more than $2,750,000,000 of such total amount out-
2 standing at any one time shall relate to mortgages other
3 than defense or disaster mortgages as defined in section
4 301 (a) (1) (G)".

5 SEC. 4. Section 313 of the Defense Housing and Com-
6 munity Facilities and Services Act of 1951 is hereby amended
7 by striking out "$60,000,000" in paragraph (a) thereof and
8 substituting "$100,000,000" and by striking out "$50,000,-
9 000" in paragraph (b) thereof and substituting "$100,-
10 000,000".

11 SEC. 5. The first sentence of section 302 (b) of the
12 Defense Housing and Community Facilities and Services Act
13 of 1951 is hereby amended by adding after the words "for
14 reuse at other locations" the words "or existing housing built
15 or acquired by the United States under authority of other
16 law".

17 SEC. 6. Section 611 of the Act entitled "An Act to
18 expedite the provision of housing in connection with national
19 defense, and for other purposes", approved October 14, 1940,
20 as amended, is hereby amended by inserting "or section 313
21 of this Act" immediately preceding the parenthetical clause,
22 and by striking out "to this title" at the end of the parenthet-
23 ical clause and inserting in lieu thereof "thereto".

24 SEC. 7. The first sentence of section 3 (b) and the first

1 sentence of section 3 (d) of the Alaska Housing Act, ap-
2 proved April 23, 1949, as amended, are hereby amended
3 by striking "$15,000,000" and inserting "$20,000,000".
4 SEC. 8. Title II of the National Housing Act, as
5 amended, is hereby amended by adding the following new
6 section:
7 "SEC. 218. In any case where an application for mort-
8 gage insurance under section 608 of this Act was received
9 by the Federal Housing Commissioner on or before March 1,
10 1950, and a commitment to insure was issued by said Com-
11 missioner in accordance therewith any mortgagee who, prior
12 to the expiration of such commitment, applied for insurance
13 of a mortgage under section 207 of this Act with respect to
14 the same property or project shall receive credit for all
15 application fees paid in connection with the prior application:
16 *Provided*, That nothing therein shall constitute a waiver of
17 any requirements otherwise applicable to the insurance of
18 mortgages under section 207 of this Act.".
19 SEC. 9. The Secretary of the Treasury is hereby author-
20 ized and directed from time to time to credit and cancel
21 the note or notes of the Housing and Home Finance Ad-
22 ministrator executed and delivered in connection with loans
23 transferred from the Reconstruction Finance Corporation
24 to the Housing and Home Finance Agency pursuant to

1 Reorganization Plan Numbered 23 of 1950 (64 Stat. 1279),
2 to the extent of the net loss, as determined by the Secretary
3 of the Treasury, sustained by said Agency in the liquidation
4 of defaulted loans. The net loss shall be the sum of the
5 unpaid principal and advances for care and preservation of
6 collateral, together with accrued and unpaid interest on said
7 principal and advances, and all expenses and costs (other
8 than those subject to administrative expense limitations) in
9 connection with the liquidation of defaulted loans, less the
10 amount actually realized by the Housing and Home Finance
11 Agency on account of such defaulted loans.

12 SEC. 10. (a) The National Housing Act, as amended,
13 is hereby amended—

14 (1) by adding at the end of section 8 the following
15 new section 9:

16 "SEC. 9. The provisions of sections 2 and 8 shall be
17 applicable in the several States and Alaska, Hawaii, Puerto
18 Rico, the District of Columbia, Guam, and the Virgin
19 Islands.";

20 (2) by adding "Guam," after the words "District
21 of Columbia," in each place where they appear in sec-
22 tions 201 (d), 207 (a) (7), 301 (c) (4), 601 (d),
23 and 801 (f);

24 (3) by inserting in section 214—

1 (A) the words "or in Guam" after the word
2 "Alaska" in each place where it appears in said
3 section,
4 (B) the words "or maxima" after the word
5 "maximum", and
6 (C) the words "or the Government of Guam
7 or any agency or instrumentality thereof" after the
8 words "Alaska Housing Authority" in each place
9 where they appear in said section;
10 (4) by adding at the end of section 713 the follow-
11 ing new subsection (q):
12 "(q) 'State' shall include the several States and Alaska,
13 Hawaii, Puerto Rico, the District of Columbia, Guam, and
14 the Virgin Islands."; and
15 (5) by deleting the words "or Territory" in section
16 403 (a) and inserting in lieu thereof the words "Ter-
17 ritory, or possession".
18 (b) The Home Owners' Loan Act of 1933, as amended,
19 is hereby amended by adding a comma and "Guam,"
20 after the words "Puerto Rico" in section 7 thereof.
21 (c) The Federal Home Loan Bank Act, as amended,
22 is hereby amended by adding "Guam," after "District of
23 Columbia," in section 2 (3) and after "Virgin Islands," in
24 section 3 thereof.
25 (d) The Defense Housing and Community Facilities

1 and Services Act of 1951 is hereby amended by adding
2 at the end of section 401 the following: "This title shall
3 be applicable in the several States, the District of Colum-
4 bia, and the Territories and possessions of the United
5 States."

6 (e) Section 102b of the Housing Act of 1948, as
7 amended, is hereby amended by adding at the end thereof
8 the following: "Such powers, functions, and duties may be
9 exercised in the several States, the District of Columbia,
10 and the Territories and possessions of the United States."

11 SEC. 11. Title V of the Housing Act of 1949, as
12 amended, is hereby amended as follows:

13 (a) In the first sentence of section 511 immediately
14 following the phrase "July 1, 1951" strike the word "and"
15 and insert at the end of the sentence just before the period
16 a comma and the language "and an additional $100,000,000
17 on and after July 1, 1953.

18 (b) In section 512, (i) strike "and 1952" and insert
19 "1952, and 1953", and (ii) strike "and $2,000,000" and
20 insert "$2,000,000 and $2,000,000".

21 (c) In section 513, strike "and $10,000,000 on July 1
22 of each of the years 1950, 1951, and 1952" and insert
23 "$10,000,000, and $10,000,000 on July 1 of each of the
24 years 1950, 1951, 1952, and 1953".

25 SEC. 12. The first paragraph of subsection (c) of section

1 5 of the Home Owners' Loan Act of 1933, as amended, is
2 hereby amended by adding at the end thereof the following
3 new sentence: "In addition to the loans and investments
4 otherwise authorized, such associations may purchase, sub-
5 ject to all the provisions of this paragraph except the area
6 restriction, loans secured by first liens on improved real
7 estate which are insured under the provisions of the National
8 Housing Act, as amended, or insured as provided in the
9 Servicemen's Readjustment Act of 1944, as amended."

Passed the Senate May 23 (legislative day, May 12), 1952.

Attest: LESLIE L. BIFFLE,
Secretary.

82D CONGRESS
2D SESSION

S. 3066

AN ACT

To amend defense housing laws, and for other purposes.

MAY 26, 1952

Referred to the Committee on Banking and Currency

S. 3086

AN ACT

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 2, 1952
For actions of July 1, 1952
82nd-2nd, No.117

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

CONTENTS

HIGHLIGHTS: House passed bill to exempt horticultural-products transportation from ICC. Ready for President. House committees reported bills to extend rural-housing program and increase retirement annuities. Senate debated price-maintenance bill.

HOUSE

1. TRANSPORTATION. Passed without amendment S. 2357, to make clear that the transportation of horticultural commodities is included in the agricultural exemption from ICC regulation (pp. 8815-20). This bill will now be sent to the President.

2. TRAVEL EXPENSES. Passed without amendment S. 2545, permitting the advance of travel and subsistence expenses to Government employees by one agency for the convenience of another (pp. 8838-9). This bill will now be sent to the President.

3. FLOOD CONTROL. Passed without amendment H. R. 7817, to increase by $35,000,000 emergency authorizations available to the Army Engineers (pp. 8810-14).

4. HOUSING. The Banking and Currency Committee reported with amendments S. 3066, to amend the housing laws (H. Rept. 2424)(p. 8853). One provision of this bill extends the rural-housing program, administered by USDA, for one additional year.

5. CIVIL-SERVICE RETIREMENT. The Post Office and Civil Service Committee reported without amendment S. 2968 and H. R. 8373, to increase the annuities of certain retired employees and to provide for a study of the civil-service retirement system (H. Repts. 2407 and 2409)(p. 8853).

6. EDUCATION. The Education and Labor Committee reported without amendment H. R. 7494, to encourage the educational fine arts programs in State and land-grant colleges and other institutions (H. Rept. 2428)(p. 8853).

7. SOCIAL SECURITY. House conferees were appointed on H. R. 7800, to increase old-age and survivors benefits under the Social Security Act (p. 8809). Senate conferees were also appointed (p. 8909.)

8. DEFENSE DEPARTMENT APPROPRIATION BILL, 1953. House conferees were appointed on this bill, H. R. 7391 (p. 8821). Senate conferees have been appointed.

9. ADMINISTRATIVE LAW. The Judiciary Committee ordered reported (but did not actually report) S. 2546, to provide for attorneys' liens in proceedings before the courts or other departments and agencies of the U. S. (p. D678).

10. PRICE MAINTENANCE. The Judiciary Committee ordered reported (but did not actually report) S. 719, to establish beyond doubt that, under the Robinson-Patman Act, it is a complete defense to charge of price discrimination for the seller to show that its price differential has been made in good faith to meet the equally low price of a competitor (p. D678).

11. IMMIGRATION. The Judiciary Committee re-referred to subcommittee, for further consideration, H. R. 7376, to authorize immigration of 300,000 European refugees (p. D678).

12. INDIANS. Passed as reported H. J. Res. 8, to authorize a study to determine the qualifications of Indians to manage their own affairs without Government supervision or control (pp. 8821-7).

13. REORGANIZATION. Rep. Dolliver reviewed the progress that has been made in reorganizing the Executive Branch (pp. 8840-2).

14. RURAL LIFE. Rep. Harvey inserted and commended a newspaper editorial supporting the new National Committee on Religion and Rural Life (p. 8839).

SENATE

15. VETERANS' PREFERENCE. The Post Office and Civil Service Committee reported without amendment S. 3200, extending the benefits of the Veterans' Preference Act of 1944 to persons serving in the armed forces after the termination of war between the U. S. and Japan and prior to July 2, 1955 (S. Rept. 2047) (p. 8897).

16. PUERTO RICO. Adopted the conference report on H. J. Res. 430, approving the Puerto Rico constitution (pp. 8905-6). This measure will now be sent to the President.

17. NOMINATIONS of Anthony Arpaia, Martin Elliott, and Charles Mahaffie to be Interstate Commerce Commissioners, and Jonathan Bingham to be Deputy Administrator for Technical Cooperation, were confirmed (p. 8941).

18. PERSONNEL. The Post Office and Civil Service Committee ordered reported (but did not actually report) S. 2484, to improve the efficiency of the U. S. Civil Service and to deny benefits, under the civil service and other retirement systems, to persons convicted of certain felonies (p. D675).

19. ELECTRIFICATION. Sen. Kefauver inserted a resolution adopted by the 1952 annual convention of the Tennessee Industrial Union Council favoring public power (pp. 8896-7).

20. ST. LAWRENCE SEAWAY. Received from the President the application to the International Joint Commission for approval of certain works in connection with the St. Lawrence seaway and power project; to Foreign Relations Committee (p. 8896).

82D CONGRESS 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 2424

HOUSING ACT OF 1952

JULY 1, 1952.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany S. 3066]

The Committee on Banking and Currency, to whom was referred the bill (S. 3066) to amend defense housing laws, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

1. Strike out section 12 of the bill.
2. Add the following two new sections at the end of the bill:

SEC. 12. Section 903 (c) of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new sentence: "Upon application of the mortgagee with the consent of the mortgagor of a mortgage for which a commitment to insure has been issued pursuant to section 203 of this Act covering property on which the construction of the dwellings thereon was begun prior to the enactment of this title and the determination of prevailing wages in the locality in accordance with section 212, the Commissioner is authorized, notwithstanding such beginning of construction, to convert such commitment to a commitment under section 908; any charges or fees paid to the Commissioner with respect to such insurance under section 203 shall be credited to charges or fees due the Commissioner with respect to such insurance under section 908; and the determination of prevailing wages in the locality for purposes of section 212 may be made by the Secretary of Labor at any time prior to the insurance under section 908: *Provided*, That such mortgage, or the mortgage covering the same property executed in substitution therefor, is otherwise eligible for insurance under section 908."

SEC. 13. Section 610 of the National Housing Act, as amended, is amended by adding at the end thereof the following new paragraph:

"The Commissioner is further authorized to insure or to make commitments to insure under section 608 of this title in accordance with the provisions of this section any mortgage executed in connection with the sale by a State or municipality, or an agency, instrumentality, or body politic of either, of any permanent housing (including any property acquired, held, or constructed in connection therewith or to serve the inhabitants thereof), constructed by or on behalf of such State, municipality, agency, instrumentality, or body politic, for the occupancy of veterans of World War II, their families, and others: *Provided*, That

the principal obligation of any such mortgage does not exceed either 85 per centum of the appraised value of the mortgage property as determined by the Commissioner or $8,100 per family unit for such part of such property as may be attributable to dwelling use."

General Statement

Last year the Congress enacted the Defense Housing and Community Facilities and Services Act of 1951 which provided the legislative framework for assisting the provision of housing and community facilities and services required to meet the needs of in-migrant defense workers and military personnel in critical defense housing areas. The provisions of S. 3066 are designed principally to carry out effectively the objective of that act. For that purpose the bill would make necessary increases in authorizations and other changes in existing law. These increases would be very limited in terms of the existing urgent needs for housing and facilities in critical defense housing areas. However, your committee believes they are adequate to continue the programs involved until the Eighty-third Congress has an opportunity to review the need for further authorizations.

One of the principal problems dealt with by the bill is the lack of sufficient private financing for the defense housing programed under the Defense Housing and Community Facilities and Services Act of 1951. It is well recognized that there has been a general shortage of private mortgage money for housing. Also, there has been an apparent reluctance on the part of major sources of permanent mortgage funds to finance this housing in critical defense areas, even with the special and liberal FHA mortgage insurance aids provided in the act passed last year. Testimony at the hearings held by your committee on S. 3066 indicated that permanent mortgage funds would not be made available for needed defense housing unless lenders were able to obtain advance commitments by the Federal National Mortgage Association for the purchase of the permanent mortgage loans involved. This situation results apparently from an assumption by major sources of permanent mortgage funds that investment in the needed defense housing is less sound from the standpoint of long-term marketablity.

This situation is confirmed by recent actual experience with programed defense housing which shows that advance commitments are now essential to the construction of most of such housing. The 1951 act permitted advance commitments of up to $200,000,000 for this housing in view of the urgency of the defense housing need and the situation already existing in the private mortgage money market. The use of this commitment authority produced the bulk of the limited amount of defense housing on which construction has started. Construction has started on only about 20,000 of the approximately 84,000 units of defense housing already programed. Advance commitments under the 1951 act have covered about three-fourths of all the units under construction.

We are faced with the fact that if our needed defense housing is to be speedily provided by private builders there is no other available alternative to the use of FNMA advance commitments for this purpose. This housing is badly needed at defense plants and military installations. Much of it has already been delayed too long, and there does not appear to be any prospect of the mortgage market changing in sufficient time and to such an extent as to make an ade-

quate supply of mortgage funds available to meet defense needs promptly. The use of this additional commitment authority, in sufficient amount, will undoubtedly result in construction of most of the needed defense housing, as there is certainly no shortage of builders able and willing to undertake the construction if financing is available.

The increases in the FNMA authorizations to help meet this defense housing need and other provisions of the bill are explained in the section-by-section analysis set forth below. Most of these other provisions are also designed to assist defense housing. There is a need for additional amendments and insurance authorization to carry out the home-mortgage insurance operations of the Federal Housing Administration, particularly for defense housing in critical areas, military rental housing, and disaster housing. Further legislative authority and changes are also needed for housing and community facilities under title III of the Defense Housing and Community Facilities and Services Act of 1951; for Alaska defense housing loans; for the farm-housing program under title V of the Housing Act of 1949; and for housing in Guam.

Section by Section Analysis of the Bill as Reported

SHORT TITLE

Section 1.—The first section would merely provide for the short title of the bill, the "Housing Act of 1952".

FHA AUTHORIZATION

Section 2.—This section would provide additional FHA mortgage insurance authorization and permit the recapture of unused authorizations under some titles of the National Housing Act for use under other titles.

The Defense Housing and Community Facilities and Services Act of 1951 added section 217 to the National Housing Act authorizing an aggregate of $1½ billion of additional mortgage obligations to be insured under the new defense housing title (title IX) of that act, and under older titles of that act. Authority to release the $1½ billion additional FHA insurance authorization was vested in the President who could, within the total amount authorized, prescribe the amounts to be allocated to different titles of the act. All but $100,000,000 of this authority has been allocated.

Section 2 of the bill would amend section 217 to provide $400,000,000 of additional FHA insurance authorization. This additional authorization could be used only for future mortgages (insured by FHA after June 30, 1952) covering defense, military, and disaster housing.

Section 2 would also authorize the President to recapture existing insurance authorizations under existing titles of the National Housing Act where the full amount of such existing authorizations are not needed immediately, and to reallocate such recaptured amount to those titles where there is an immediate need for additional insurance authorization. To the extent that the President reduces the authorization for any one FHA program, he would be authorized to prescribe a corresponding increase in other FHA insurance programs.

Any amounts so allocated but unused could be reallocated to the original or another title. Thus, the President could allocate to title IX any unused amount of the present $1½ billion authorization provided in section 217 plus any unused parts of present authorizations provided in other titles.

Section 217, as it would be amended by section 2 of the bill, would continue to be inapplicable to the FHA insurance authorization for modernization and repair loans under section 2 of the National Housing Act. Also, as is now provided by section 217, no authorization under any section of title VI (relating to World War II war and veterans' housing) may be increased by the President beyond present statutory limits.

FNMA MORTGAGE PURCHASING AUTHORITY AND COMMITMENTS

Section 3.—This section would provide the FNMA advance commitment authority discussed in the general statement of this report and would provide the other changes in FNMA legislative authority contained in the bill. Although the increased authorizations would be limited to defense and disaster housing, other provisions of the section apply to other eligible mortgages. The general effect of these other provisions is restrictive upon the long-range operations of FNMA.

Subsection (*a*) (*1*).—Under section 301 of the National Housing Act, as amended, the FNMA is authorized to purchase Government-insured or guaranteed home mortgages if they are insured after "April 30, 1948," and meet certain other prescribed conditions. This subsection of section 3 would change that date to February 29, 1952, with respect to the purchase of mortgages other than "defense or disaster mortgages," which are defined as mortgages (1) on defense housing programed by the Housing and Home Finance Administrator in an area determined by the President or his designee to be a critical defense housing area, or (2) with respect to which the Federal Housing Commissioner has issued a commitment to insure pursuant to title VIII of the National Housing Act, or (3) covering housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster. Except for these defense or disaster mortgages, and except for mortgages for which purchase commitments have been made, this subsection would thus make ineligible for FNMA purchase any mortgages which were insured or guaranteed prior to March 1, 1952.

This subsection would also repeal the provision in section 301 that no deposit or fee required or charged by FNMA for the purchase of a mortgage shall exceed 1 percent of the original principal obligation of such mortgage. The FNMA would thus be permitted in appropriate cases to charge deposits or fees in excess of that amount. This authority is needed to provide for flexibility in setting fees or charges for non-defense-mortgage purchases whenever it may be necessary to take additional action to further prevent unnecessary use of the Government secondary market.

Subsection (*a*) (*2*).—The FNMA is restricted generally (by sec. 301 of the National Housing Act) from purchasing mortgages from one lender in excess of 50 percent of all mortgages made by that lender which are otherwise eligible for purchase by FNMA. In accordance with the act, this 50 percent is computed on the basis of mortgages

insured or guaranteed after April 30, 1948. To conserve the limited amounts which would be available to FNMA for over-the-counter purchase of nondefense mortgages, this subsection would change the base date to February 29, 1952.

Subsection (a) (3).—Certain mortgages insured under the National Housing Act and mortgages guaranteed under the Servicemen's Readjustment Act of 1944 are now expressly exempted by section 301 of the National Housing Act from the 50-percent limitation on FNMA purchases from any one lender. This subsection would also change section 301 so that exemptions from the 50-percent limitation would depend on whether the mortgages to be purchased are "defense or disaster mortgages" as defined above. (See explanation of subsection (a) (1). The defense or disaster mortgages would include those insured or guaranteed under the various sections of the National Housing Act or the Servicemen's Readjustment Act of 1944, but only if they cover programed defense housing, military housing, or housing for victims of a catastrophe which the President has determined to be a major disaster.

Subsection (a) (4).—Section 301 of the National Housing Act prohibits FNMA generally from entering into commitments to purchase mortgages which are not insured or guaranteed at the time of the commitment. However, this section was amended by the Congress to permit such commitments up to $252,000,000 outstanding at any one time if they related to defense or disaster mortgages as defined above. Subsection (a) (4) would increase by $900,000,000 the amount of commitments which could be outstanding with respect to defense and disaster mortgages, so that such total amount would be $1,152,000,000. No authority would be granted to enter into commitments to purchase other than defense or disaster mortgages, and the authority to enter into commitments with respect to defense and disaster mortgages would expire June 30, 1953. The use of advance commitments for this purpose would release the $362,000,000 uncommitted balance of FNMA authorization, presently set aside for defense and disaster mortgages, so that it would be available for regular over-the-counter purchase of nondefense VA and FHA mortgages.

Subsection (b).—The present purchasing authority of FNMA is $2,750,000,000. This subsection would amend section 302 of the National Housing Act to increase this purchasing authority by $900,000,000 making a total authority of $3,650,000,000. However, not more than the present authorization could be used for the purchase of mortgages other than defense or disaster mortgages.

AUTHORIZATION FOR DEFENSE COMMUNITY FACILITIES AND FEDERAL DEFENSE HOUSING

Section 4.—This section would amend section 313 of the Defense Housing and Community Facilities and Services Act of 1951 to increase the authorization for federally aided or provided defense community facilities and services in critical defense housing areas and the authorization for Federal defense housing in such areas.

Defense community facilities.—This section would increase the existing authorization for defense community facilities and services from $60,000,000 to $100,000,000—an increase of $40,000,000. Estimates on the basis of applications already filed for assistance and expected

to be filed were furnished to your committee showing a need for a total authorization of at least $160,000,000. However, in view of the time necessarily required in the development and processing of applications for this assistance in accordance with existing law and in view of the fact that $30,000,000 of the present authorization is still available, your committee believes that the $40,000,000 additional authorization in the bill is adequate for the present. This would provide sufficient authorization for a request to the Appropriations Committee early in the next session of the Congress for action on such appropriation as experience shows to be necessary. Your committee believes, however, that this additional authorization in the bill for community facilities represents the minimum amount which should be authorized at this time for Federal loans and grants to critical defense localities for such essential facilities as water and sewer lines, water and sewage-treatment plants, hospitals, streets, and fire-protection facilities. Water and sewer facilities including treatment plants predominate in this program. The aid is furnished only where the need is defense-caused and only where the locality would otherwise be unable to provide the facilities. Full use is made of existing facilities and the Congress has provided safeguards to preserve local control and operation. Unless this type of aid is furnished, defense activities will be hindered and defense housing construction delayed. The inability of local defense communities to provide such facilities is an obstacle to the provision of housing by private enterprise.

Federal defense housing.—This section of the bill would increase the existing authorization for Federal defense housing from $50,000,000 to $100,000,000—an increase of $50,000,000. Estimates, on the basis of field surveys in existing critical defense-housing areas and the number of such areas expected to be declared in the future, were furnished to your committee, showing a need for a total authorization of at least $350,000,000. However, your committee believes that the increase of $50,000,000 in the authorization is adequate at this time. The extent of the need can be reexamined in the next Congress.

On the other hand, your committee wishes to stress that this increase in the bill represents the minimum amount which can be presently authorized without seriously impairing housing construction urgently needed by defense plants and military installations. Very recent requests have been made by the Department of Defense for the priority allocation of more than 21,000 dwelling units out of the earliest available funds. These are needed to serve military installations only and do not represent the total needs at such installations, but merely those which the Department of Defense considers to be the most urgent. Housing is provided with funds appropriated under this authorization only where it is clear that there is a vital defense need, and only where the need is temporary or where private enterprise, after being given adequate opportunity to build, is unable to provide the housing even with the liberal Federal aids provided by law for private defense housing. The military activities to be served by this program include air bases, training camps, navy yards, arsenals, ordnance plants, ammunition depots, and ports of embarkation. The private defense industries include shipyards, aircraft manufacturing plants, railroad port facilities, power production, copper and cobalt mines and smelting facilities, and similar defense activities.

USE OF EXISTING FEDERALLY OWNED MASONRY HOUSING TO MEET DEFENSE NEEDS

Section 5.—This is a technical amendment to permit the Housing and Home Finance Administrator to transfer masonry temporary housing, built under the Lanham War Housing Act or similar acts, to meet temporary defense needs under the Defense Housing and Community Facilities and Services Act of 1951. Adequate authority in this regard exists with respect of such housing of frame construction. Section 5 of the bill would amend section 302 (b) of the 1951 act to permit "existing housing built or acquired by the United States under authority of other law" to be transferred for defense use under the act. A number of World War II temporary housing projects were of masonry construction, notwithstanding the temporary need, because of acute lumber shortages in particular localities during World War II.

EXTENSION OF REMOVAL DATE FOR TEMPORARY WORLD WAR II HOUSING

Section 6.—This section provides for a technical amendment to the Lanham Act (Public Law 849, 76th Cong., as amended) to permit the President to extend the December 31, 1952, date which is now prescribed in section 313 of that act for the removal of certain limited classes of temporary war and veterans' housing under the jurisdiction of the Housing Administrator. Authority has already been granted to extend this date with respect to the bulk of the temporary war and veterans' housing but apparently through inadvertence these limited classes of housing were omitted from that authority. As the law is now written, this housing must be removed by December 31, 1952, except where the Housing Administrator finds, after consultations with the local communities, that it is still needed. All such exceptions would have to be reexamined annually and reported to the Congress. The Congress has extended earlier removal dates from time to time, the December 31, 1952, date having been established by an amendment adopted in April 1950, several months before the outbreak of the Korean conflict. After the outbreak of the Korean conflict, in order to continue temporary housing in use for defense purposes, the Congress enacted section 611 of the Lanham Act, authorizing the President to extend a number of dates by which temporary housing must be vacated and either sold or removed. Section 6 of this bill would merely include the approaching December 31, 1952, deadline in the authority now contained in section 611.

About 35,000 housing units will be affected in the following categories:

1. Veterans' reuse housing not relinquished or transferred to local bodies;
2. Temporary housing relinquished or transferred to local bodies subject to the removal requirements of section 313; and
3. Certain miscellaneous housing units expressly excepted by section 604 from the requirements of title VI of the Lanham Act for vacating and removing temporary housing.

ALASKA HOUSING AUTHORIZATION

Section 7.—The Alaska Housing Act (Public Law 52, 81st Cong.) authorizes appropriations of $15,000,000 to the Housing and Home Finance Administrator for the purchase, on a revolving basis, of bonds of the Alaska Housing Authority to provide funds for housing construction in the Territory. The Alaska Housing Authority utilizes the funds in making loans to private residential builders or, as a last resort, may undertake direct construction. Section 7 of the bill would increase the amount of the authorization in the Alaska Housing Act to $20,000,000.

WAIVER OF FHA FEES ON CONVERSION OF APPLICATIONS FROM SECTION 608 TO SECTION 207

Section 8.—Under title VI of the National Housing Act, the title which provided special mortgage insurance aids for World War II housing and veterans' housing, a rental-housing mortgage may be insured under section 608 of the act only pursuant to a commitment to insure issued by the FHA on application filed on or before March 1, 1950. Some cases have arisen where the holders of such validly issued commitments have, with respect to the same project, made application to convert the section 608 commitment to insurance under section 207 of the act, which is the regular FHA rental housing mortgage insurance section. Technically, such a conversion of insurance with respect to the same project from section 608 to section 207 is regarded by the FHA as a new application for which the regular application fees must be paid, resulting in duplicate application fees for insurance on the same project. This amendment would merely permit the application fees already paid on account of an application for a section 608 project where the commitment has been issued by FHA to be credited toward the fees due for the section 207 application covering the same property or project. However, it is not intended that these provisions be construed to authorize or require any refunds of fees previously paid .

CANCELLATION OF HOUSING AGENCY NOTES TO TREASURY ON ACCOUNT OF LOSSES ON LOANS TRANSFERRED TO THE HOUSING AGENCY FROM RFC

Section 9.—Under Reorganization Plan No. 23 of 1950, a number of prefabricated housing loans made by the RFC were transferred to the Housing and Home Finance Agency. The related RFC notes to the Treasury were canceled and the Housing Administrator issued a substitute note for the principal amount of the transferred loans plus accrued interest. At the time of the transfer a number of the loans were in default and many were not fully covered by collateral, so that the Housing Administrator's note to the Treasury was in excess of the recovery value of the transferred loans. A book reserve of $7,777,104 for losses on account of the transferred loans was established at the time of the transfer but no reserve funds were actually transferred to the Housing Administrator. Moreover, unlike the RFC, the Housing Administrator had no accumulated net income from the prefabricated lending program with which to pay losses. The actual process of

foreclosing on or liquidating some of the loans indicates that the actual losses on account of the transferred loans will not exceed about $8,000,000.

Accordingly, section 9, which is in effect a bookkeeping authorization, would direct the Secretary of the Treasury to cancel the Housing Administrator's note or notes to the extent of such actual net losses on account of the transferred loans.

EXTENSION OF FEDERAL HOUSING LAWS TO GUAM

Section 10.—The organic act for Guam, approved August 1, 1950, had the effect of changing the status of the island from that of a possession of the United States under a naval governor to that of an unincorporated Territory with its own civilian government. Natives of Guam were made American citizens. However, many of the laws of the United States applicable to the States and other Territories are not applicable to Guam. To study this subject the President last year appointed a Commission on the Applicability of the Federal Laws to Guam, which rendered its report and recommendations on July 31, 1951 (H. Doc. No. 212). It recommended, among other things, that the National Housing Act and other Federal laws pertaining to housing be made applicable to Guam. Section 10 of this bill would carry out that recommendation.

Paragraph (a) of section 10 extends the provisions of the National Housing Act to Guam, thereby permitting the Federal Housing Administration, the Federal Savings and Loan Insurance Corporation, and the Federal National Mortgage Association to extend their programs to the Territory. Paragraph (a) would also permit the Federal Housing Commissioner to increase the statutory mortgage limits for FHA mortgage-insurance purposes by one-half in Guam in the same manner as such limits may now be increased in Alaska. This provision is in recognition of the high construction costs in Guam caused by the necessity of importing almost all construction materials and by the scarcity of skilled construction labor.

Paragraph (b) would amend the Home Owners' Loan Act of 1933, as amended, to permit Federal savings and loan associations to be organized and assisted in Guam.

Paragraph (c) would permit the Federal Home Loan Bank System to operate in Guam.

Paragraph (d) would extend to Guam title IV of the Defense Housing and Community Facilities and Services Act of 1951 (sites for isolated defense installations).

Paragraph (e) would extend to Guam the defense prefabricated loan provisions which were added to the Housing Act of 1948 by the Defense Housing and Community Facilities and Services Act of 1951.

FARM HOUSING

Section 11.—This section would amend title V of the Housing Act of 1949 (Public Law 171, 81st Cong.) to provide adequate authority for continuing through fiscal year 1954 the farm-housing assistance authorized in that title.

Title V, which is administered by the Farmers Home Administration of the Department of Agriculture, authorizes the Secretary of

Agriculture to extend financial assistance in the form of loans and grants to farm owners to enable them to construct, improve, or repair farm housing. Loans of up to 33 years' maturity which bear 4-percent interest may be made to farmers having adequate farms who are nevertheless unable to obtain private credit on terms which they can reasonably fulfill. Similar loans, supplemented by modest contributions during a 5-year period are also authorized where the farmer is unable to undertake to repay the loan in full. This form of aid is authorized only if the farm is potentially adequate—that is, capable of being improved to a point where it is self-sustaining—and if the necessary improvement program is actually undertaken. Finally, the title authorizes modest loans and grants to help farm families on very poor farms to undertake minor improvements or minimum repairs to farm dwellings where necessary to remove hazards to the health or safety of the occupants.

The authority granted by the present law to obtain loan funds from the Treasury was limited to $25,000,000 on and after July 1, 1949, an additional $50,000,000 on and after July 1, 1950, an additional $75,000,000 on and after July 1, 1951, and an additional $100,000,000 on and after July 1, 1952. The bill would provide authorization for an additional $100,000,000 available July 1, 1953.

Annual contribution commitments for housing on potentially adequate farms were authorized to be entered into on and after July 1, 1949, in sums aggregating not more than $500,000 per year (for 5 years) and additional commitments were authorized on and after July 1 of each of the years 1950, 1951, and 1952, respectively, which would require additional contributions of up to $1,000,000, $1,500,000, and $2,000,000 per annum, respectively. The bill would provide a similar additional authorization of $2,000,000 per annum on and after July 1, 1953.

Appropriations were also authorized for the loans and grants for improvements and repairs. Appropriations of $2,000,000 were authorized on and after July 1, 1949, and further amounts of $5,000,000, $8,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, and 1952, respectively. The bill would provide an additional authorization of $10,000,000 available July 1, 1953.

DELETION OF SECTION 12 OF BILL AS PASSED BY THE SENATE

Section 12 of the bill as passed by the Senate, which would be stricken out by committee amendment, would have amended section 5 (c) of the Home Owners' Loan Act of 1933, as amended, so as to authorize Federal savings and loan associations to purchase FHA and GI insured mortgages without regard to the present area requirements of law governing such purchases. Under existing law, members of the Federal Savings and Loan Insurance Corporation must obtain the prior approval of the Corporation before it can make any loans beyond 50 miles from its principal office. Subject to this provision of law applicable to insured members of the Federal Savings and Loan Insurance Corporation, section 5 (c) of the Home Owners' Loan Act provides that Federal savings and loan associations may invest up to 15 percent of their funds without regard to the 50-mile-area restriction. Your committee has considered section 12 of the bill and substitute provisions dealing with broadening the areas in which these associa-

tions might lend their funds. It is the opinion of your committee that before recommending legislation dealing with this matter, it should give more study to the matter than it has been able to up to the present time.

TRANSFER OF SECTION 203 COMMITMENTS TO SECTION 908

Section 12.—The committee amendment contained in the proposed new section 12 of the bill would add a provision to section 903 (c) of the National Housing Act, as amended, authorizing the Federal Housing Commissioner to convert commitments to insure mortgages under section 203 of the National Housing Act to commitments for mortgage insurance under section 908 of the act. Section 908 of the National Housing Act authorizes FHA mortgage insurance on rental housing projects programed for critical defense housing areas. The committtee amendment would require as a condition of eligibility for conversion that construction of the housing must have begun prior to September 1, 1951. It also would require that the original mortgage or the mortgage executed as a substitute must, except for the requirement concerning the start of construction, meet the eligibility requirements for insurance under section 908. It would also permit charges or fees paid with respect to the section 203 application to be credited to charges or fees due with respect to section 908.

SALE OF STATE-AIDED VETERANS' HOUSING

Section 13.—Section 610 of the National Housing Act, as amended, contains provisions which (among others) authorize the Federal Housing Administration to insure mortgages made to finance the sale of federally owned multi-unit-housing projects built under the Lanham War Housing Act and related acts. Under laws applicable to the disposal of federally owned war housing, rental housing projects which are not broken up for sale to individual owners may be sold to occupants and veterans organized to assume cooperative ownership or to investors who would continue to operate the projects as rental housing. Section 610 provides that the FHA-insured mortgages authorized by that section may have maturities not exceeding 25 years from the date of the FHA mortgage insurance and may have principal amounts not exceeding 90 percent of the appraised value of the mortgage property as determined by the FHA.

Section 13 would merely authorize similar FHA mortgage insurance to aid in financing the sale of multi-unit-housing projects by States or municipalities or their public agencies in cases where the housing is permanent housing which was constructed by the State or other public body primarily for the occupancy of veterans of World War II and their families. The bill provides that in the case of such sales the principal obligation of the mortgage may not exceed either 85 percent of the mortgage property as determined by the FHA or $8,100 per family dwelling unit. Mortgage maturities could not exceed 25 years from the date of the FHA insurance.

This section would thus extend to the sale of permanent, veterans' State- and municipal-owned housing substantially the same FHA mortgage insurance benefits as are extended to the sale of permanent federally owned war housing. In the case of all such sales of State- or

municipal-owned housing, it is reasonable to assume that State and local laws applicable from time to time to the sale of State and municipal veterans' projects will contain appropriate safeguards and preferences to assure that the reasonable interests of veterans and other occupants will be given adequate protection.

Your committee wishes to point out that the mortgage terms authorized by this section are patterned after those available in section 610 as now in force, the only important exception being that the maximum mortgage percentage under the bill would be 85 percent of FHA appraised value rather than 90 percent as is now authorized in the case of the sale of federally owned projects. This difference appears justified since in the case of the sale of federally owned projects the special mortgage insurance risk would result, in the event of an insurance claim, in leaving the Federal Government in substantially the same financial position as it occupied prior to the sale.

USE OF TEMPORARY HOUSING TO BE LIMITED

In considering the effect of S. 3066 upon future operations under the Defense Housing and Community Facilities and Services Act of 1951, your committee has been concerned about the use of temporary housing construction by the Federal Government, and wishes to set forth the views of the committee regarding types of housing construction by the Government under that act.

Title III of the Defense Housing and Community Facilities and Services Act of 1951 permits the provision both of permanent and temporary Federal defense housing. Where permanent housing is provided, the title requires that, where feasible, it shall consist of one- to four-family structures suitable for eventual separate sale. The title also requires that private enterprise be given a prior opportunity, during a period of not less than 90 days, to indicate its intention to construct the needed housing. Where it is necessary to provide housing in localities where there appears to be no need for the housing beyond the period during which it will serve defense personnel, then the law requires that—

> temporary housing which is of a mobile or portable character or which is otherwise constructed so as to be available for reuse at other locations shall be provided.

Your committee's report on the legislation (H. Rept. 795, 82d Cong.) contained the following statement of intention with respect to the provision of permanent and temporary housing:

> * * * Experience with temporary housing during and after the last war indicated clearly the desirability of providing permanent housing wherever practicable. In too many cases, housing of a temporary character provided during the last war to meet needs thought by everyone to be purely temporary is still greatly needed. This has caused many problems to the Federal Government and to the communities involved. Section 302 of the bill would provide that, where the need for housing appears of temporary duration, consideration shall be given to providing, where feasible, mobile or portable housing or housing otherwise constructed so that it could be moved for reuse elsewhere. Where temporary housing is constructed and there is possibility of continued need for housing after defense needs have been met, the committee is of the opinion that consideration should be given to so constructing such temporary housing that it may later be converted to acceptable permanent construction. Through maximum use of permanent and movable housing your committee feels that many problems will be avoided and there may be a maximum utilization of moneys, labor, and materials both during and after what could be a long period of increased defense activities.

The foregoing views of your committee are consistent with the final report, dated January 31, 1950, submitted by Congressman Brooks Hays, chairman of the subcommittee which made a study of the disposition of permanent and temporary Government-owned war housing.

The Housing Administrator, in his testimony on S. 3066, stated that the initial housing program under title III of the Defense Housing and Community Facilities and Services Act of 1951 was confined to temporary housing. He stated that the funds first made available, which were limited to $25 million, could meet only a fraction of the need and that accordingly it was decided to utilize the funds to provide the greatest possible measure of relief by providing the least expensive housing and concentrating on the most difficult situations. Thus $20 million was set aside to provide trailers and minimum portable dwellings for use at installations of the armed services where the housing need, as determined by the Secretary of Defense, was considered most pressing.

While your committee has no objection to the manner in which the initial funds were utilized, it is expected that the program as a whole will be a balanced program, in accordance with the intent set forth in the foregoing quotation from your committee's report on the 1951 act. That is to say, your committee expects—

(1) That permanent housing will be provided where the housing need in the community extends beyond the period of the defense housing need and that, in such case, private enterprise will (as required by the law) be given a prior opportunity to indicate its willingness to construct the housing;

(2) That even where the need for the housing at the particular location is temporary, good demountable housing will be provided which is capable of long-range use in other locations; and

(3) That the use of temporary portable housing which barely meets minimum space standards will be avoided except in rare instances, since such housing has a very short life and tends to lower our national housing standards.

Good demountable housing, capable of being used temporarily at one site and then moved to a new site where it can be used indefinitely, costs more to build but is more economical in the long run since it will be income-producing for much longer periods, is less expensive to maintain, and commands a better price on sale.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as passed by the Senate, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

NATIONAL HOUSING ACT, AS AMENDED

* * * * * * *

TITLE I. HOUSING RENOVATION AND MODERNIZATION

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SEC. 9. The provisions of sections 2 and 8 shall be applicable in the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.

* * * * * * *

TITLE II. MORTGAGE INSURANCE

DEFINITIONS

SEC. 201. As used in section 203 of this title—

* * * * * * *

(d) The term "State" includes the several States, and Alaska, Hawaii, Puerto Rico, the District of Columbia, *Guam*, and the Virgin Islands.

* * * * * * *

RENTAL HOUSING INSURANCE

SEC. 207. (a) As used in this section—

* * * * * * *

(7) The term "State" includes the several States, and Alaska, Hawaii, Puerto Rico, the District of Columbia, *Guam*, and the Virgin Islands.

* * * * * * *

SEC. 214. If the Federal Housing Commissioner finds that, because of higher costs prevailing in the Territory of Alaska *or in Guam*, it is not feasible to construct dwellings on property located in Alaska *or in Guam* without sacrifice of sound standards of construction, design, or livability, within the limitations as to maximum *or maxima* mortgage amounts provided in this Act, the Commissioner may, by regulations or otherwise, prescribe, with respect to dollar amount, a higher maximum *or maxima* for the principal obligation of mortgages insured under this Act covering property located in Alaska *or in Guam*, in such amounts as he shall find necessary to compensate for such higher costs but not to exceed, in any event, the maximum *or maxima* otherwise applicable by more than one-half thereof. No mortgage with respect to a project or property in Alaska *or in Guam* shall be accepted for insurance under this Act unless the Commissioner finds that the project or property is an acceptable risk, giving consideration to the acute housing shortage in Alaska *or in Guam: Provided*, That any such mortgage may be insured or accepted for insurance without regard to any requirement in any other section of this Act that the Commissioner find the project or property to be economically sound or an acceptable risk. Notwithstanding any of the provisions of this Act or any other law, the Alaska Housing Authority *or the Government of Guam or any agency or instrumentality thereof* shall be eligible as mortgagor or mortgagee, as the case may be, for any of the purposes of mortgage insurance under the provisions of this Act. Upon application by the mortgagee, where the Alaska Housing Authority *or the Government of Guam or any agency or instrumentality thereof* is the mortgagor or mortgagee, for the insurance of a mortgage under any provisions of this Act, the Commissioner is authorized to insure the mortgage (including advances thereon where otherwise authorized), and to make commitments for the insuring of any such mortgages prior to the date of their execution or disbursement thereon, under such provisions (and this section) without regard to any requirement that the mortgagor shall be the owner and occupant of the property or shall have paid a prescribed amount on account of such property.

* * * * * * *

GENERAL MORTGAGE INSURANCE AUTHORIZATION

[SEC. 217. Notwithstanding limitations contained in any other section of this Act on the aggregate amount of principal obligations of mortgages which may be insured under any title of this Act, such aggregate amount shall, with respect to any title of this Act (except title VI) be prescribed by the President, taking into consideration the needs of national defense and the effect of additional mortgage insurance authorizations upon conditions in the building industry and

upon the national economy: *Provided,* That the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this Act plus the aggregate dollar amount of all increases in mortgage insurance authorizations under other titles of this Act prescribed by the President pursuant to authority contained in this section shall not exceed $1,500,000,000.]

Sec. 217. Notwithstanding limitations contained in any other section of this Act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time) and on the aggregate amount of contingent liabilities which may be outstanding at any one time under insurance contracts, or commitments to insure, pursuant to any section or title of this Act, any such aggregate amount shall, with respect to any section or title of this Act (except section 2), be prescribed by the President from time to time taking into consideration the needs of national defense and the effect of additional insurance authorizations upon conditions in the building industry and upon the national economy: Provided, That the dollar amount of the insurance authorization prescribed by the President at any time with respect to any provision of title VI shall not be greater than authorized by provisions of that title: And provided further, That, at any time, the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this Act, plus the aggregate dollar amount of all increases in insurance authorizations under other titles of this Act prescribed by the President pursuant to authority contained in this section, less the aggregate dollar amount of all decreases in insurance authorizations under this Act prescribed by the President pursuant to authority contained in this section shall not exceed $1,900,000,000: And provided further, That $400,000,000 of said sum shall be available only for the insurance of mortgages for which no insurance contract or commitment to insure under this Act was outstanding on June 30, 1952, and which mortgages (1) cover defense housing programmed by the Housing and Home Finance Agency in an area determined by the President or his designee to be a critical defense housing area, or (2) are insured under title VIII of this Act, or (3) cover housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster.

Sec. 218. In any case where an application for mortgage insurance under section 608 of this Act was received by the Federal Housing Commissioner on or before March 1, 1950, and a commitment to insure was issued by said Commissioner in accordance therewith any mortgagee who, prior to the expiration of such commitment, applied for insurance of a mortgage under section 207 of this Act with respect to the same property or project shall receive credit for all application fees paid in connection with the prior application: Provided, That nothing therein shall constitute a waiver of any requirements otherwise applicable to the insurance of mortgages under section 207 of this Act.

* * * * * * *

Title III. Federal National Mortgage Association

CREATION AND POWERS OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION

Sec. 301. (a) The Commissioner is further authorized and empowered to provide for the establishment of a Federal National Mortgage Association (hereinafter referred to as the "Association") which shall be authorized, subject to such rules and regulations as may be prescribed by the Association—

(1) to purchase, service, or sell any mortgages, which are [insured after April 30, 1948, under title II, title VI, or title VIII, section 8 of title I, or title IX of this Act, or guaranteed after April 30, 1948, under section 501, or section 502, or section 505 (a) of the Servicemen's Readjustment Act of 1944, as amended: *Provided,* That no deposit or fee required or charged by the Association for the purchase of a mortgage hereunder shall exceed 1 per centum of the original principal obligation of such mortgage:] *insured under this Act, as amended, or insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended: Provided, That no such mortgage, except defense or disaster mortgages as defined in subparagraph (G) hereof, shall be purchased by the Association unless insured or guaranteed after February 29, 1952, or purchased pursuant to a commitment made by the Association: And provided further,* That—

* * * * * * *

(E) no mortgage shall be offered to the Association for purchase by any one mortgagee (1) unless such mortgage is secured by property used, or designed to be used, for residential purposes and (2) if the unpaid principal balance thereof, when added to the aggregate amount paid for all mortgages purchased by the

Association from such mortgagee [pursuant to authority contained herein, exceeds 50 per centum of the original principal amount of all mortgages made by such mortgagee] *after February 29, 1952, pursuant to authority contained herein, exceeds 50 per centum of the original principal amount of all mortgage loans made by such mortgagee that are insured or guaranteed after February 29, 1952,* which, except for this subparagraph (E), meet the requirements of this section: [*Provided,* That this clause (2) shall not apply to (nor shall any terms therein include) any mortgage which is (i) guaranteed after October 25, 1949, under section 501, or guaranteed after the effective date of the Housing Act of 1950 under section 502 of the Servicemen's Readjustment Act of 1944, as amended, and made for the construction or purchase of a family dwelling or dwellings in an original principal amount or amounts which does not exceed $10,000 per dwelling unit, or (ii) insured under section 803 of this Act:] *Provided, That this clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G);* and

* * * * * * *

(G) The Association after the effective date of this subparagraph may contract to purchase only those eligible mortgages which are guaranteed or insured at the time of the contract: *Provided:* That this subparagraph shall not apply to (i) commitments made pursuant to Public Law 243, Eighty-second Congress, or (ii) commitments made by the association on or after September 1, 1951, [which do not exceed $252,000,000 outstanding at any one time, if applications for such commitments were received by the association prior to December 28, 1951, or, in the case of title VIII mortgages, if the Federal Housing Commissioner issued his commitment to insure prior to December 31, 1951, but subsequent to December 27, 1951, and if such commitments of the association relate to] *and prior to July 1, 1953, which do not exceed $1,152,000,000 outstonding at any one time, if such commitments of the Association relate to defense or disaster mortgages. As used in this title III, "defense or disaster mortgages" means* mortgages (1) covering defense housing programmed by the Housing and Home Finance Administrator in an area determined by the President or his designee to be a critical defense housing area, or (2) with respect to which the Federal Housing Commissioner has issued a commitment to insure pursuant to title VIII of this Act, as amended, or (3) covering housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster.

* * * * * * *

(c) The Association created under this section shall have succession from the date of its organization unless it is dissolved by order of the Commissioner as hereinafter provided, or by Act of Congress, and shall have power—

* * * * * * *

(4) to conduct its business in any State of the United States, or in the District of Columbia, *Guam,* Alaska, Hawaii, Puerto Rico, or the Virgin Islands, and to have one or more offices in such State, or in the District of Columbia, *Guam,* Alaska, Hawaii, or Puerto Rico, one of which offices shall be designated at the time of organization as its principal office;

* * * * * * *

SEC. 302. The total amount of investments, loans, purchases, and commitments made by the Association shall not exceed [$2,750,000,000] *$3,650,000,000* outstanding at any one time. The Association is authorized to issue and have outstanding at any one time notes and other obligations in an aggregate amount sufficient to enable it to carry out its functions under this Act or any other provision of law: *Provided, That not more than $2,750,000,000 of such total amount outstanding at any one time shall relate to mortgages other than defense or disaster mortgages as defined in section 301 (a) (1) (G).*

* * * * * * *

INSURANCE OF ACCOUNTS AND ELIGIBILITY PROVISIONS

SEC. 403. (a) It shall be the duty of the Corporation to insure the accounts of all Federal savings and loan associations, and it may insure the accounts of building and loan, savings and loan, and homestead associations and cooperative banks organized and operated according to the laws of the State, District [or Territory] *Territory, or possession* in which they are chartered or organized.

* * * * * * *

TITLE VI. WAR HOUSING INSURANCE

SEC. 601. As used in this title—

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(d) The term "State" includes the several States, and Alaska, Hawaii, Puerto Rico, the District of Columbia, *Guam*, and the Virgin Islands.

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TITLE VII. INSURANCE FOR INVESTMENTS IN RENTAL HOUSING FOR FAMILIES OF MODERATE INCOME

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SEC. 713. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

* * * * * * *

(q) "State" shall include the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.

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TITLE VIII. MILITARY HOUSING INSURANCE

SEC. 801. As used in this title—

* * * * * * *

(f) The term "State" includes the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, *Guam*, and the Virgin Islands.

DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

* * * * * * *

SEC. 302. * * *

* * * * * * *

(b) Where it is necessary to provide housing under this title in locations where, in the determination of the Administrator, there appears to be no need for such housing beyond the period during which it is needed for housing persons engaged in national-defense activities, the provisions of section 102 hereof shall not be applicable and temporary housing which is of a mobile or portable character or which is otherwise constructed so as to be available for reuse at other locations *or existing housing built or acquired by the United States under authority of other law* shall be provided. All housing constructed pursuant to the authority contained in this title which is of a temporary character, as determined by the Administrator, shall be disposed of by the Administrator not later than the date, and subject to the conditions and requirements, hereafter prescribed by the Congress: *Provided*, That nothing in this sentence shall be construed as prohibiting the Administrator from removing any such housing by demolition or otherwise prior to the enactment of such legislation.

* * * * * * *

SEC. 313. There are hereby authorized to be appropriated—

(a) such sums, not exceeding [$60,000,000] *$100,000,000*, as may be necessary for carrying out the provisions and purposes of this title relating to community facilities and services in critical defense-housing areas; and

(b) such sums, not exceeding [$50,000,000] *$100,000,000*, as may be necessary for carrying out the provisions and purposes of this title relating to housing in critical defense-housing areas.

TITLE IV. PROVISION OF SITES FOR NECESSARY DEVELOPMENT IN CONNECTION WITH ISOLATED DEFENSE INSTALLATIONS

SEC. 401. Subject to the provisions and limitations of title I hereof and subject to the provisions and limitations of this title, upon a finding by the President that in connection with a defense installation (as defined by him) developed or to be developed in an isolated or relatively isolated area (1) housing or community facilities needed for such installation would not otherwise be provided when and where required or (2) there would otherwise be speculation or uneconomic use of

land resources which would impair the efficiency of defense activities at such installation, the Housing and Home Finance Administrator (hereinafter referred to as the "Administrator") is authorized to make general plans for the development of necessary housing and community facilities in connection with such defense installation; to acquire, by purchase, condemnation, or otherwise, the necessary improved or unimproved land or interests therein; to clear land; to install, construct, or reconstruct streets, utilities, and other site improvements essential to the preparation of the land for use in accordance with said general plans; and to dispose of such land or interests therein for use in accordance with such plans and subject to such terms and conditions as he shall deem advisable and in the public interest. For the purposes of this title, the Administrator may exercise the powers granted to him in title III for the purposes thereof: *Provided*, That no funds made available under this title shall be used for the erection of dwellings or other buildings, and funds representing the fair value, as determined by the Administrator, of any property acquired under this title and used as sites for dwellings or other buildings of facilities under title III shall be transferred from funds appropriated thereunder and made available for purposes of this title IV: *And provided further*, That the provisions of section 310 shall be applicable to site development work under this title. *This title shall be applicable in the several States, the District of Columbia, and the Territories and possessions of the United States.*

* * * * * * *

HOUSING ACT OF 1948, AS AMENDED

* * * * * * *

SEC. 102b. In the performance of, and with respect to, the functions, powers, and duties vested in him by Reorganization Plan 23 of 1950 and by section 102a hereof, the Housing and Home Finance Administrator shall, in addition to any powers, functions, privileges, and immunities otherwise vested in him—

(1) have the powers, functions, privileges, and immunities transferred to him by said Reorganization Plan and the same powers, functions and duties as set forth in section 402 of the Housing Act of 1950, except subsection (c)

(2) thereof, with respect to loans authorized by title IV of said Act;

(2) take any and all actions determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans thereunder.

Such powers, functions, and duties may be exercised in the several States, the District of Columbia, and the Territories and possessions of the United States.

AN ACT TO EXPEDITE THE PROVISION OF HOUSING IN CONNECTION WITH NATIONAL DEFENSE, AND FOR OTHER PURPOSES (THE LANHAM ACT)

* * * * * * *

SEC. 611. Notwithstanding any other provision of law, the President is authorized to extend, for such period or periods as he shall specify, the time within which any action is required or permitted to be taken by the Administrator or others under the provisions of this title *or section 313 of this Act* (or any contract entered into pursuant [to this title] *thereto*), upon a determination by him, after considering the needs of national defense and the effect of such extension upon the general housing situation and the national economy, that such extension is in the public interest.

* * * * * * *

ALASKA HOUSING ACT

* * * * * * *

SEC. 3. * * *

* * * * * * *

(b) To obtain funds for the purpose of undertaking and administering projects or of making loans pursuant to any authority conferred by the legislature of the Territory of Alaska under subsection (a) of this section, the Alaska Housing Authority may, on and after the effective date of this Act, issue and have out-

standing at any one time notes or other obligations for purchase by the Housing and Home Finance Administrator in an amount not to exceed [$15,000,000] *$20,000,000* and the Housing and Home Finance Administrator is hereby authorized to purchase such notes or other obligations to the extent that funds are available therefor: *Provided,* That such notes and other obligations issued and outstanding for the purpose of making character loans to individuals or cooperatives shall not exceed $1,000,000. * * *

* * * * * * *

(d) There is hereby authorized to be appropriated to the Housing and Home Finance Administrator, out of any money in the Treasury not otherwise appropriated not to exceed [$15,000,000] *$20,000,000* for the purposes of this section. * * *

* * * * * * *

HOME OWNERS' LOAN ACT OF 1933, AS AMENDED

* * * * * * *

Federal Savings and Loan Associations

Sec. 5. * * *

* * * * * * *

(c) Such associations shall lend their funds only on the security of their shares or on the security of first liens upon homes or combination of homes and business property within fifty miles of their home office: *Provided,* That not more than $20,000 shall be loaned on the security of a first lien upon any one such property; except that not exceeding 15 per centum of the assets of such association may be loaned on other improved real estate without regard to said $20,000 limitation, and without regard to said fifty-mile limit, but secured by first lien thereon: *And provided further,* That any portion of the assets of such associations may be invested in obligations of the United States or the stock or bonds of a Federal Home Loan Bank: *And provided further,* That any such association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter. *In addition to the loans and investments otherwise authorized, such associations may purchase, subject to all the provisions of this paragraph except the area restriction, loans secured by first liens on improved real estate which are insured under the provisions of the National Housing Act, as amended, or insured as provided in the Servicemen's Readjustment Act of 1944, as amended.*

* * * * * * *

Sec. 7. The provisions of this Act shall apply to the continental United States, to the Territories of Alaska and Hawaii, and to Puerto Rico, *Guam,* and the Virgin Islands.

* * * * * * *

THE FEDERAL HOME LOAN BANK ACT, AS AMENDED

Definitions

Sec. 2. As used in this Act—

(3) The term "State" includes the District of Columbia, *Guam,* Puerto Rico, the Virgin Islands of the United States, and the Territories of Alaska and Hawaii.

* * * * * * *

Federal Home Loan Banks

Sec. 3. As soon as practicable the board shall divide the continental United States, Puerto Rico, the Virgin Islands, *Guam,* and the Territories of Alaska and Hawaii into not less than eight nor more than twelve districts. Such districts shall be apportioned with due regard to the convenience and customary course of business of the institutions eligible to and likely to subscribe for stock of a Federal Home Loan Bank to be formed under this Act, but no such district shall contain a fractional part of any State. The districts thus created may be readjusted and new districts may from time to time be created by the board, not to exceed twelve in all. Such districts shall be known as Federal Home Loan Bank districts and

may be designated by number. As soon as practicable the board shall establish, in each district, a Federal Home Loan Bank at such city as may be designated by the board. Its title shall include the name of the city at which it is established.

HOUSING ACT OF 1949, AS AMENDED

* * * * * * *

LOAN FUNDS

SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury in such sums as the Congress may from time to time determine to make loans under this title (other than loans under section 504 (b)) not in excess of $25,000,000 on and after July 1, 1949, an additional $50,000,000 on and after July 1, 1950, an additional $75,000,000 on and after July 1, 1951, [and] an additional $100,000,000 on and after July 1, 1952, *and an additional $100,000,000 on and after July 1, 1953.* The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public-debt transactions of the United States.

CONTRIBUTIONS

SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized, on and after July 1, 1949, to make commitments for contributions aggregating not to exceed $500,000 per annum and to make additional commitments, on and after July 1 of each of the years 1950, 1951, [and] 1952, *and 1953*, respectively, which shall require additional contributions aggregating not more than $1,000,000, $1,500,000, *$2,000,000*, and $2,000,000 per annum, respectively.

SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) an additional $2,000,000 for grants pursuant to section 504 (a) and loans pursuant to section 504 (b) on and after July 1, 1949, which amount shall be increased by further amounts of $5,000,000, $8,000,000 [and] $10,000,000, *and $10,000,000* on July 1 of each of the years 1950, 1951, [and] 1952, *and 1953*, respectively; and (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

○

Union Calendar No. 757

82D CONGRESS
2D SESSION

S. 3066

[Report No. 2424]

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 1952

Referred to the Committee on Banking and Currency

JULY 1, 1952

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

AN ACT

To amend defense housing laws, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Housing Act of 1952".

SEC. 2. Section 217 of the National Housing Act, as amended, is hereby amended to read as follows:

"SEC. 217. Notwithstanding limitations contained in any other section of this Act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time) and on the aggregate amount of contingent liabilities which may be outstanding at any one time under insurance contracts,

1 or commitments to insure, pursuant to any section or title
2 of this Act, any such aggregate amount shall, with respect
3 to any section or title of this Act (except section 2), be
4 prescribed by the President from time to time taking into
5 consideration the needs of national defense and the effect of
6 additional insurance authorizations upon conditions in the
7 building industry and upon the national economy: *Provided,*
8 That the dollar amount of the insurance authorization pre-
9 scribed by the President at any time with respect to any
10 provision of title VI shall not be greater than authorized by
11 provisions of that title: *And provided further,* That, at any
12 time, the aggregate dollar amount of the mortgage insurance
13 authorization prescribed by the President with respect to
14 title IX of this Act, plus the aggregate dollar amount of all
15 increases in insurance authorizations under other titles of
16 this Act prescribed by the President pursuant to authority
17 contained in this section, less the aggregate dollar amount
18 of all decreases in insurance authorizations under this Act
19 prescribed by the President pursuant to authority con-
20 tained in this section shall not exceed $1,900,000,000:
21 *And provided further,* That $400,000,000 of said sum
22 shall be available only for the insurance of mortgages for
23 which no insurance contract or commitment to insure under
24 this Act was outstanding on June 30, 1952, and which
25 mortgages (1) cover defense housing programed by the

1 Housing and Home Finance Agency in an area determined
2 by the President or his designee to be a critical defense
3 housing area, or (2) are insured under title VIII of this
4 Act, or (3) cover housing intended to be made available
5 primarily for families who are victims of a catastrophe which
6 the President has determined to be a major disaster.".

7 SEC. 3. (a) Section 301 (a) (1) of said Act, as
8 amended, is hereby amended—

9 (1) by striking the words beginning with "insured
10 after April 30, 1948" and ending with the colon at the
11 end of the first proviso thereof and inserting the words:
12 "insured under this Act, as amended, or insured or guar-
13 anteed under the Servicemen's Readjustment Act of
14 1944, as amended: *Provided*, That no such mortgage,
15 except defense or disaster mortgages as defined in sub-
16 paragraph (G) hereof, shall be purchased by the Asso-
17 ciation unless insured or guaranteed after February 29,
18 1952, or purchased pursuant to a commitment made by
19 the Association:";

20 (2) by striking from subparagraph (E) "pursuant
21 to authority contained herein, exceeds 50 per centum of
22 the original principal amount of all mortgages made by
23 such mortgagee" and inserting "after February 29,
24 1952, pursuant to authority contained herein, exceeds
25 50 per centum of the original principal amount of all

1 mortgage loans made by such mortgagee that are in-
2 sured or guaranteed after February 29, 1952";
3 (3) by striking the proviso in subparagraph (E)
4 and inserting "*Provided,* That this clause (2) shall not
5 apply to (nor shall any terms therein include) any de-
6 fense or disaster mortgages as defined in subparagraph
7 (G)"; and
8 (4) by striking from the proviso in subparagraph
9 (G) "which do not exceed $252,000,000 outstanding at
10 any one time, if applications for such commitments
11 were received by the Association prior to December
12 28, 1951, or, in the case of title VIII mortgages, if
13 the Federal Housing Commissioner issued his commit-
14 ment to insure prior to December 31, 1951, but subse-
15 quent to December 27, 1951, and if such commitments
16 of the Association relate to" and inserting "and prior
17 to July 1, 1953, which do not exceed $1,152,000,000
18 outstanding at any one time, if such commitments of the
19 Association relate to defense or disaster mortgages. As
20 used in this title III, 'defense or disaster mortgages'
21 means".
22 (b) Section 302 of said Act, as amended, is hereby
23 amended (1) by striking "$2,750,000,000" and inserting
24 "$3,650,000,000"; and (2) by adding before the period at
25 the end of the first sentence of said section ": *Provided,* That
26 not more than $2,750,000,000 of such total amount out-

1 standing at any one time shall relate to mortgages other
2 than defense or disaster mortgages as defined in section
3 301 (a) (1) (G)".

4 SEC. 4. Section 313 of the Defense Housing and Com-
5 munity Facilities and Services Act of 1951 is hereby amended
6 by striking out "$60,000,000" in paragraph (a) thereof and
7 substituting "$100,000,000" and by striking out "$50,000,-
8 000" in paragraph (b) thereof and substituting "$100,-
9 000,000".

10 SEC. 5. The first sentence of section 302 (b) of the
11 Defense Housing and Community Facilities and Services Act
12 of 1951 is hereby amended by adding after the words "for
13 reuse at other locations" the words "or existing housing built
14 or acquired by the United States under authority of other
15 law".

16 SEC. 6. Section 611 of the Act entitled "An Act to
17 expedite the provision of housing in connection with national
18 defense, and for other purposes", approved October 14, 1940,
19 as amended, is hereby amended by inserting "or section 313
20 of this Act" immediately preceding the parenthetical clause,
21 and by striking out "to this title" at the end of the parenthet-
22 ical clause and inserting in lieu thereof "thereto".

23 SEC. 7. The first sentence of section 3 (b) and the first
24 sentence of section 3 (d) of the Alaska Housing Act, ap-

1 proved April 23, 1949, as amended, are hereby amended
2 by striking "$15,000,000" and inserting "$20,000,000".
3 SEC. 8. Title II of the National Housing Act, as
4 amended, is hereby amended by adding the following new
5 section:
6 "SEC. 218. In any case where an application for mort-
7 gage insurance under section 608 of this Act was received
8 by the Federal Housing Commissioner on or before March 1,
9 1950, and a commitment to insure was issued by said Com-
10 missioner in accordance therewith any mortgagee who, prior
11 to the expiration of such commitment, applied for insurance
12 of a mortgage under section 207 of this Act with respect to
13 the same property or project shall receive credit for all
14 application fees paid in connection with the prior application:
15 *Provided,* That nothing therein shall constitute a waiver of
16 any requirements otherwise applicable to the insurance of
17 mortgages under section 207 of this Act.".
18 SEC. 9. The Secretary of the Treasury is hereby author-
19 ized and directed from time to time to credit and cancel
20 the note or notes of the Housing and Home Finance Ad-
21 ministrator executed and delivered in connection with loans
22 transferred from the Reconstruction Finance Corporation
23 to the Housing and Home Finance Agency pursuant to
24 Reorganization Plan Numbered 23 of 1950 (64 Stat. 1279),
25 to the extent of the net loss, as determined by the Secretary

1 of the Treasury, sustained by said Agency in the liquidation
2 of defaulted loans. The net loss shall be the sum of the
3 unpaid principal and advances for care and preservation of
4 collateral, together with accrued and unpaid interest on said
5 principal and advances, and all expenses and costs (other
6 than those subject to administrative expense limitations) in
7 connection with the liquidation of defaulted loans, less the
8 amount actually realized by the Housing and Home Finance
9 Agency on account of such defaulted loans.

10 SEC. 10. (a) The National Housing Act, as amended,
11 is hereby amended—

12 (1) by adding at the end of section 8 the following
13 new section 9:

14 "SEC. 9. The provisions of sections 2 and 8 shall be
15 applicable in the several States and Alaska, Hawaii, Puerto
16 Rico, the District of Columbia, Guam, and the Virgin
17 Islands.";

18 (2) by adding "Guam," after the words "District
19 of Columbia," in each place where they appear in sec-
20 tions 201 (d), 207 (a) (7), 301 (c) (4), 601 (d),
21 and 801 (f);

22 (3) by inserting in section 214—

23 (A) the words "or in Guam" after the word
24 "Alaska" in each place where it appears in said
25 section,

1 (B) the words "or maxima" after the word
2 "maximum", and
3 (C) the words "or the Government of Guam
4 or any agency or instrumentality thereof" after the
5 words "Alaska Housing Authority" in each place
6 where they appear in said section;
7 (4) by adding at the end of section 713 the follow-
8 ing new subsection (q):
9 "(q) 'State' shall include the several States and Alaska,
10 Hawaii, Puerto Rico, the District of Columbia, Guam, and
11 the Virgin Islands."; and
12 (5) by deleting the words "or Territory" in section
13 403 (a) and inserting in lieu thereof the words "Ter-
14 ritory, or possession".
15 (b) The Home Owners' Loan Act of 1933, as amended,
16 is hereby amended by adding a comma and "Guam,"
17 after the words "Puerto Rico" in section 7 thereof.
18 (c) The Federal Home Loan Bank Act, as amended,
19 is hereby amended by adding "Guam," after "District of
20 Columbia," in section 2 (3) and after "Virgin Islands," in
21 section 3 thereof.
22 (d) The Defense Housing and Community Facilities
23 and Services Act of 1951 is hereby amended by adding
24 at the end of section 401 the following: "This title shall
25 be applicable in the several States, the District of Colum-

bia, and the Territories and possessions of the United States."

(e) Section 102b of the Housing Act of 1948, as amended, is hereby amended by adding at the end thereof the following: "Such powers, functions, and duties may be exercised in the several States, the District of Columbia, and the Territories and possessions of the United States."

SEC. 11. Title V of the Housing Act of 1949, as amended, is hereby amended as follows:

(a) In the first sentence of section 511 immediately following the phrase "July 1, 1951" strike the word "and" and insert at the end of the sentence just before the period a comma and the language "and an additional $100,000,000 on and after July 1, 1953.

(b) In section 512, (i) strike "and 1952" and insert "1952, and 1953", and (ii) strike "and $2,000,000" and insert "$2,000,000 and $2,000,000".

(c) In section 513, strike "and $10,000,000 on July 1 of each of the years 1950, 1951, and 1952" and insert "$10,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, 1952, and 1953".

~~SEC. 12. The first paragraph of subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by adding at the end thereof the following new sentence: "In addition to the loans and investments~~

~~otherwise authorized, such associations may purchase, subject to all the provisions of this paragraph except the area restriction, loans secured by first liens on improved real estate which are insured under the provisions of the National Housing Act, as amended, or insured as provided in the Servicemen's Readjustment Act of 1944, as amended.~~"

Sec. 12. Section 903 (c) of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new sentence: "Upon application of the mortgagee with the consent of the mortgagor of a mortgage for which a commitment to insure has been issued pursuant to section 203 of this Act covering property on which the construction of the dwellings thereon was begun prior to the enactment of this title and the determination of prevailing wages in the locality in accordance with section 212, the Commissioner is authorized, notwithstanding such beginning of construction, to convert such commitment to a commitment under section 908; any charges or fees paid to the Commissioner with respect to such insurance under section 203 shall be credited to charges or fees due the Commissioner with respect to such insurance under section 908; and the determination of prevailing wages in the locality for purposes of section 212 may be made by the Secretary of Labor at any time prior to the insurance under section 908: Provided, That such mortgage, or the mortgage covering the same property

executed in substitution therefor, is otherwise eligible for insurance under section 908."

Sec. 13. Section 610 of the National Housing Act, as amended, is amended by adding at the end thereof the following new paragraph:

"The Commissioner is further authorized to insure or to make commitments to insure under section 608 of this title in accordance with the provisions of this section any mortgage executed in connection with the sale by a State or municipality, or an agency, instrumentality, or body politic of either, of any permanent housing (including any property acquired, held, or constructed in connection therewith or to serve the inhabitants thereof), constructed by or on behalf of such State, municipality, agency, instrumentality, or body politic, for the occupancy of veterans of World War II, their families, and others: Provided, That the principal obligation of any such mortgage does not exceed either 85 per centum of the appraised value of the mortgage property as determined by the Commissioner or $8,100 per family unit for such part of such property as may be attributable to dwelling use."

Passed the Senate May 23 (legislative day, May 12), 1952.

Attest: LESLIE L. BIFFLE,

Secretary.

Union Calendar No. 757

82D CONGRESS
2D SESSION

S. 3066

[Report No. 2424]

AN ACT

To amend defense housing laws, and for other purposes.

MAY 26, 1952

Referred to the Committee on Banking and Currency

JULY 1, 1952

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

S. 3066

AN ACT

thereafter, but not later than April 1, 1953 (pp. 9028-9).

16. ADMINISTRATIVE LAW. The Judiciary Committee reported with amendment S. 2546, providing for attorneys' liens in proceedings before the courts and other departments and agencies of the U. S. (H. Rept. 2437)(p. 9059).

17. WEED CONTROL. The Agriculture Committee reported without amendment S. 1041, authorizing control and research on halogeton (H. Rept. 2447)(p. 9060).

18. LAND TRANSFER. - The Agriculture Committee reported with amendment H. R. 7317, authorizing sale of a tract of SCS submarginal land to Hope, N. Mex. (H. Rept. 2448)(p. 9060).

Passed as reported H. R. 1631, to transfer Fort Reno lands (now used for livestock research) to the Cheyenne-Arapaho Indian Tribes (pp. 8943-4).

Passed without amendment S. 3052, authorizing the transfer of certain land to the Navy Department, including a tract formerly used by USDA for an emergency rubber project (p. 8962). This bill will now be sent to the President.

19. FORESTRY. Passed without amendment H. R. 8341, providing that deposits of sandstone, gravel, pumice, and cinders, when situated in national forest lands, shall not be subject to acquisition under any other law (p. 8951).

20. AIR POLLUTION. Passed as reported H. J. Res. 218, providing for intensified research in the causes, hazards, and effects of air pollution, methods for its prevention and control and for recovery of critical materials from atmospheric contaminants, to be carried out by the Public Health Service, this Department, and the Interior Department (pp. 8967-8).

21. PERSONNEL RETIREMENT. Passed with amendment S. 2968, to increase the annuities of certain retired employees. The amendment supplied a new text that was almost identical to H. R. 8373. (pp. 8991-7.)

22. RURAL HOUSING. Passed as reported S. 3066, to amend the defense housing laws. One provision of this bill extends the rural-housing program, administered by USDA, for one additional year. (pp. 8997-9001.)

23. VETERANS' PREFERENCE. Passed without amendment H. R. 7721, extending the benefits of the Veterans' Preference Act of 1944 to persons serving in the Armed Forces after the termination of war between the U. S. and Japan and prior to July 2, 1955 (p. 8957).

24. FLOOD CONTROL. Passed without amendment S. 1020, preliminary examination and survey for flood control at Las Vegas Wash, Nev. (pp. 8945-6). This bill will now be sent to the President.

25. PERSONNEL TRAVEL. Passed without amendment H. R. 8177, providing for sundry administrative matters affecting the Federal Government, including permission to make available baggage transportation appropriations for payment of general average contributions (p. 8947).

26. ELECTRIFICATION. Passed without amendment H. R. 6436, to change the name of the Bonneville Power Administration to the Columbia River Administration (p. 8952).

27. IRRIGATION. Passed with amendment H. R. 6163, providing the basis for authorization of irrigation works in connection with Chief Joseph Dam, and providing for financial assistance thereto from power revenues (pp. 8953-4).

28. ELECTRIFICATION. Passed with amendment H. R. 6723, approving contracts negotiated with Gering and Fort Laramie (Nebr.) irrigation districts and certain other districts (pp. 8958-9).

29. BANKING. Passed without amendment S. 2938, amending the Federal Reserve Act to reduce capital requirements necessary for State banks to join the Federal Reserve, and requiring Federal Reserve approval for establishment by a State bank of a branch bank in the same town in which its principle office is located (pp. 9005-6). This bill will now be sent to the President.

30. RESIGNATION of Rep. Woodruff from the Ways and Means Committee was accepted and Rep. Goodwin was elected in his place after his resignation, in turn, from the Judiciary Committee (p. 8997).

BILLS INTRODUCED

31. PROPERTY. H. R. 8454, by Rep. Church, to provide for State and local taxation of real property which is owned by the United States and leased to private persons, and to prevent the leasing of real property owned by the United States for uses which violate State and/or local law; to Interior and Insular Affairs Committee (p. 9060).

32. IMPORTS. H. R. 8472, by Rep. Gross, to authorize the President to prohibit or curtail imports; to Ways and Means Committee (p. 9060).

33. PERSONNEL. H. R. 8462, by Rep. Cole, (N.Y.), to deny benefits, under the civil service and other Federal retirement systems, to persons convicted of felonies involving improper use of their authority, power, influence, or privileges as officers or employees of the United States or the District of Columbia; to Post Office and Civil Service Committee (p. 9060).

34. EDUCATION. S. 3455, by Sen. Murray, to establish a program of financial aid to students in higher education; to Labor and Public Welfare Committee (p. 9065). Remarks of author (pp. 9065-6.)

ITEMS IN APPENDIX

35. DEFENSE PRODUCTION. Speech in the House by Rep. Bolling claiming that the Defense Production Act extension bill "deliberately weakens price, wage, and rent controls by a series of exemptions" (p. A4415).

Rep. Dollinger inserted President Truman's statement regarding the Defense Production Act amendments (pp. A4415-6).

Speech in the House by Rep. Buchanan opposing the removal from price control of fresh fruits and vegetables and stating that he "supported with reluctance" the Defense Production Act bill (p. A4416).

36. ELECTRIFICATION. Rep. Miller inserted a U. S. Junior Chamber of Commerce resolution favoring his proposed bill providing for the private-enterprise development of the Niagara River electric power potentialities (pp. A4431-2).

37. EXPENDITURES. Extension of remarks of Rep. Beall criticizing Federal expenditures and high taxes and stating that, had the 1950 Republican proposals been followed (including "fair farm prices but no Brannan plan") we would not find ourselves "in the danger we are in today" (pp. A4416-8).

Federal employees receiving annuities from the civil-service retirement and disability fund. As pointed out by the committees recommending this legislation, the facts are well recognized that the cost of living has materially increased during the past several years, and that persons, such as the great majority of our Federal annuitants whose chief livelihood is dependent upon a fixed income, are hardest hit by this inflationary spiral. An increase in annuities of those already retired from Federal service is justified as a partial offset to the continually decreasing purchasing power of the dollar.

Congress recognized the plight of many of our people living on fixed incomes when it adopted amendments to the Social Security and Railroad Retirement Acts, increasing the amount of the benefits payable under those systems. As long as the inflationary spiral continues, it is only just that we should attempt to alleviate as much as possible this inflationary pressure upon those people now retired from Federal service.

Mr. HOLIFIELD. Mr Speaker, we have before us a bill which is in the nature of a substitute for S. 2968 to increase the annuities of retired Federal employees or their survivors.

While this bill is not 100-percent satisfactory, I believe it should be passed in order that it may go to conference with the Senate bill. I am sure that the conference report will be a great improvement over the present law, and while it may not give all the benefits that the recipients would like, it will give them a substantial increase which will go far toward compensating them for the increased cost of living since their last annuity adjustment.

I am confident that the bill will be approved unanimously by the House.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken, and two-thirds having voted in favor thereof; the rules were suspended and the bill was passed.

By unanimous consent, the bill H. R. 6373 was laid on the table.

RESIGNATIONS FROM COMMITTEES

The SPEAKER laid before the House the following resignation from a committee, which was read by the Clerk:

HOUSE OF REPRESENTATIVES,
Washington, D. C.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Ways and Means Committee, effective as of this date.

Sincerely,

ROY O. WOODRUFF.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER laid before the House the following resignation from a committee, which was read by the Clerk:

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 2, 1952.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR SPEAKER RAYBURN: I herewith tender my resignation from the Committee on the Judiciary.

Most respectfully yours,

ANGIER L. GOODWIN,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a privileged resolution (H. Res. 727) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That Hon. ANGIER L. GOODWIN, of Massachusetts, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Ways and Means.

The resolution was agreed to.

HOUSING ACT OF 1952

The SPEAKER. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3066) to amend defense housing laws, and for other purposes, with committee amendments.

The Clerk read as follows:

Be it enacted, etc., That this act be cited as the "Housing Act of 1952."

SEC. 2. Section 217 of the National Housing Act, as amended, is hereby amended to read as follows:

"SEC. 217. Notwithstanding limitations contained in any other section of this act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time) and on the aggregate amount of contingent liabilities which may be outstanding at any one time under insurance contracts, or commitments to insure, pursuant to any section or title of this act, any such aggregate amount shall, with respect to any section or title of this act (except section 2), be prescribed by the President from time to time taking into consideration the needs of national defense and the effect of additional insurance authorizations upon conditions in the building industry and upon the national economy: *Provided*, That the dollar amount of the insurance authorization prescribed by the President at any time with respect to any provision of title VI shall not be greater than authorized by provisions of that title: *And provided further*, That, at any time, the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this act, plus the aggregate dollar amount of all increases in insurance authorizations under other titles of this act prescribed by the President pursuant to authority contained in this section, less the aggregate dollar amount of all decreases in insurance authorizations under this act prescribed by the President pursuant to authority contained in this section shall not exceed $1,900,000,000: *And provided further*, That $400,000,000 of said sum shall be available only for the insurance of mortgages for which no insurance contract or commitment to insure under this act was outstanding on June 30, 1952, and which mortgages (1) cover defense housing programed by the Housing and Home Finance Agency in an area determined by the President or his designee to be a critical defense housing area, or (2) are insured under title VIII of this act, or (3) cover housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster."

SEC. 3. (a) Section 301 (a) (1) of said act, as amended, is hereby amended—

(1) by striking the words beginning with "insured after April 30, 1948" and ending with the colon at the end of the first proviso thereof and inserting the words: "insured under this act, as amended, or insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended: *Provided*, That no such mortgage, except defense or disaster mortgages as defined in subparagraph (G) hereof, shall be purchased by the association unless insured or guaranteed after February 29, 1952, or purchased pursuant to a commitment made by the association:";

(2) by striking from subparagraph (E) "pursuant to authority contained herein, exceeds 50 percent of the original principal amount of all mortgages made by such mortgagee" and inserting "after February 29, 1952, pursuant to authority contained herein, exceeds 50 percent of the original principal amount of all mortgage loans made by such mortgagee that are insured or guaranteed after February 29, 1952";

(3) by striking the proviso in subparagraph (E) and inserting "*Provided*, That this clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G)"; and

(4) by striking from the proviso in subparagraph (G) "which do not exceed $252,000,000 outstanding at any one time, if applications for such commitments were received by the Association prior to December 28, 1951, or, in the case of title VIII mortgages, if the Federal Housing Commissioner issued his commitment to insure prior to December 31, 1951, but subsequent to December 27, 1951, and if such commitments of the Association relate to" and inserting "and prior to July 1, 1953, which do not exceed $1,152,000,000 outstanding at any one time, if such commitments of the Association relate to defense or disaster mortgages. As used in this title III, 'defense or distaster mortgages' means."

(b) Section 302 of said act, as amended, is hereby amended (1) by striking "$2,750,000,000" and inserting "$3,650,000,000"; and (2) by adding before the period at the end of the first sentence of said section ": *Provided*, That not more than $2,750,000,000 of such total amount outstanding at any one time shall relate to mortgages other than defense or disaster mortgages as defined in section 301 (a) (1) (G)."

SEC. 4. Section 313 of the Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by striking out "$60,000,000" in paragraph (a) thereof and substituting "$100,000,000" and by striking out "$50,000,000" in paragraph (b) thereof and substituting "$100,000,000."

SEC. 5. The first sentence of section 302 (b) of the Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by adding after the words "for reuse at other locations" the words "or existing housing built or acquired by the United States under authority of other law."

SEC. 6. Section 611 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940,

as amended, is hereby amended by inserting "or section 313 of this act" immediately preceding the parenthetical clause, and by striking out "to this title" at the end of the parenthetical clause and inserting in lieu thereof "thereto."

SEC. 7. The first sentence of section 3 (b) and the first sentence of section 3 (d) of the Alaska Housing Act, approved April 23, 1949, as amended, are hereby amended by striking "$15,000,000" and inserting "$20,000,000."

SEC. 8. Title II of the National Housing Act, as amended, is hereby amended by adding the following new section:

"SEC. 218. In any case where an application for mortgage insurance under section 608 of this Act was received by the Federal Housing Commissioner on or before March 1, 1950, and a commitment to insure was issued by said Commissioner in accordance therewith any mortgagee who, prior to the expiration of such commitment, applied for insurance of a mortgage under section 207 of this Act with respect to the same property or project shall receive credit for all application fees paid in connection with the prior application: *Provided,* That nothing therein shall constitute a waiver of any requirements otherwise applicable to the insurance of mortgages under section 207 of this Act."

SEC. 9. The Secretary of the Treasury is hereby authorized and directed from time to time to credit and cancel the notes or notes of the Housing and Home Finance Administrator executed and delivered in connection with loans transferred from the Reconstruction Finance Corporation to the Housing and Home Finance Agency pursuant to Reorganization Plan No. 23 of 1950 (64 Stat. 1279), to the extent of the net loss, as determined by the Secretary of the Treasury, sustained by said Agency in the liquidation of defaulted loans. The net loss shall be the sum of the unpaid principal and advances for care and preservation of collateral, together with accrued and unpaid interest on said principal and advances, and all expenses and costs (other than those subject to administrative expense limitations) in connection with the liquidation of defaulted loans, less the amount actually realized by the Housing and Home Finance Agency on account of such defaulted loans.

SEC. 10. (a) The National Housing Act, as amended, is hereby amended—

(1) by adding at the end of section 8 the following new section 9:

"SEC. 9. The provisions of sections 2 and 8 shall be applicable in the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.";

(2) by adding "Guam," after the words "District of Columbia," in each place where they appear in sections 201 (d), 207 (a) (7), 301 (c) (4), 601 (d), and 801 (f);

(3) by inserting in section 214—

(A) the words "or in Guam" after the word "Alaska" in each place where it appears in said section,

(B) the words "or maxima" after the word "maximum", and

(C) the words "or the Government of Guam or any agency or instrumentality thereof" after the words "Alaska Housing Authority" in each place where they appear in said section;

(4) by adding at the end of section 713 the following new subsection (q):

"(q) 'State' shall include the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands"; and

(5) by deleting the words "or Territory" in section 403 (a) and inserting in lieu thereof the words "Territory, or possession."

(b) The Home Owners' Loan Act of 1933, as amended, is hereby amended by adding a comma and "Guam," after the words "Puerto Rico" in section 7 thereof.

(c) The Federal Home Loan Bank Act, as amended, is hereby amended by adding "Guam," after "District of Columbia," in section 2 (3) and after "Virgin Islands," in section 3 thereof.

(d) The Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by adding at the end of section 401 the following: "This title shall be applicable in the several States, the District of Columbia, and the Territories and possessions of the United States."

(e) Section 102b of the Housing Act of 1948, as amended, is hereby amended by adding at the end thereof the following: "Such powers, functions, and duties may be exercised in the several States, the District of Columbia, and the Territories and possessions of the United States."

SEC. 11. Title V of the Housing Act of 1949, as amended, is hereby amended as follows:

(a) In the first sentence of section 511 immediately following the phrase "July 1, 1951" strike the word "and" and insert at the end of the sentence just before the period a comma and the language "and an additional $100,000,000 on and after July 1, 1953."

(b) In section 512, (i) strike "and 1952" and insert "1952, and 1953", and (ii) strike "and $2,000,000" and insert "$2,000,000 and $2,000,000."

(c) In section 513, strike "and $10,000,000 on July 1 of each of the years 1950, 1951, and 1952" and insert "$10,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, 1952, and 1953."

SEC. 12. Section 903 (c) of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new sentence: "Upon application of the mortgagee with the consent of the mortgagor of a mortgage for which a commitment to insure has been issued pursuant to section 203 of this act covering property on which the construction of the dwellings thereon was begun prior to the enactment of this title and the determination of prevailing wages in the locality in accordance with section 212, the Commissioner is authorized, notwithstanding such beginning of construction, to convert such commitment to a commitment under section 908; any charges or fees paid to the Commissioner with respect to such insurance under section 203 shall be credited to charges or fees due the Commissioner with respect to such insurance under section 908; and the determination of prevailing wages in the locality for purposes of section 212 may be made by the Secretary of Labor at any time prior to the insurance under section 908: *Provided,* That such mortgage, or the mortgage covering the same property executed in substitution therefor, is otherwise eligible for insurance under section 908."

SEC. 13. Section 610 of the National Housing Act, as amended, is amended by adding at the end thereof the following new paragraph:

"The Commissioner is further authorized to insure or to make commitments to insure under section 608 of this title in accordance with the provisions of this section any mortgage executed in connection with the sale by a State or municipality, or an agency, instrumentality, or body politic of either, of any permanent housing (including any property acquired, held, or constructed in connection therewith or to serve the inhabitants thereof), constructed by or on behalf of such State, municipality, agency, instrumentality, or body politic, for the occupancy of veterans of World War II, their families, and others: *Provided,* That the principal obligation of any such mortgage does not exceed either 85 percent of the appraised value of the mortgage property as determined by the Commissioner or $8,100 per family unit for such part of such property as may be attributable to dwelling use."

Mr. SPENCE (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that further reading of the bill be dispensed with and that the bill be printed in the RECORD as amended.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. Is a second demanded?

Mr. GAMBLE. Mr. Speaker, I demand a second.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The gentleman from Kentucky will be recognized for 20 minutes and the gentleman from New York for 20 minutes.

The gentleman from Kentucky is recognized.

Mr. SPENCE. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, this bill extends the provisions of the Housing Act with reference to the Federal National Mortgage Association. It provides that the purchasing authority of the Federal National Mortgage Association with respect to defense and disaster mortgages shall be increased by $900,000,000. This will release $360,000,000, which is now frozen, for the purchase of GI and FHA nondefense mortgages.

It also increases the insurance authority of FHA by $400,000,000, and provides that the existing unused authorizations may be transfered to titles other than those for which it was originally authorized. It also makes other necessary amendments to general housing statutes.

The bill has been generally demanded by those who are interested in housing. It will furnish a secondary market for housing securities, which is so badly needed to support the defense housing program.

I hope the bill will be passed as reported by the committee.

Mr. GAMBLE. Mr. Speaker, I yield 8 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Speaker, I want to call the attention of the House to a part of this bill which I think is very important. The Federal National Mortgage Association, which we commonly call Fanny May, is to be expanded under one of the sections of this bill.

The Federal National Mortgage Association was established a number of years ago as an emergency agency to assist the people of the country in buying houses and homes. When it was established the idea was that Fanny May would provide a secondary market for mortgages on homes throughout the country when there was not money available in the locality for this purpose.

Fanny May has continued year after year with billions of dollars being appropriated and authorized for this secondary market. I realize that under certain emergency conditions the Gov-

ernment must help the people. But, Mr. Speaker, I could not possibly permit the passage of this bill without raising a protest, without saying to the House that we must stop, that we must reexamine this program, and that we must, when we have an opportunity, say that there will be an end to this emergency program. Frankly, if I had my way about it there would be an end to it today.

The parliamentary situation is such that we cannot offer any amendments either to curtail or to eliminate the operations of Fanny May. I am taking this time to state to the House that when the membership returns, whether it be in special session or next year, we must reexamine this program of indirect direct Government loans, because, after all, Fanny May is a method of direct Government loans.

Mr. Speaker, let me say this about the program: There are those who say that when private enterprise cannot do a job then the Government must step in and accomplish that job for the people of the country. But what occurs too frequently is that when private enterprise is beginning to walk, beginning to go forward, along comes the Government with its big stick and knocks private industry down and, therefore, private industry does not have an opportunity to do the job. That is exactly what is happening in connection with the present Fanny May program

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Will the gentleman tell me whether the annual statement of this Federal National Mortgage Association was brought into the committee and discussed?

Mr. COLE of Kansas. No, it was not.

Mr. BUFFETT. Can the gentleman tell us what is the total amount of their assets, their liabilities, their income, and their outgo?

Mr. COLE of Kansas. I do not have the figures before me, but I shall ask unanimous consent to include that as a part of my remarks because it is really important that we examine the whole program.

Mr. BUFFETT. Here is a program running into the hundreds of millions of dollars. Was there a fair discussion of it in the committee?

Mr. COLE of Kansas. I would say there was little, if any, discussion.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Michigan.

Mr. CRAWFORD. With this proposal becoming involved, what is the total authorization of Fannie May?

Mr. COLE of Kansas. Two and three-quarters billion total.

Mr. CRAWFORD. In other words, this Federal Mortgage concern then will be authorized to go into the market and pick up $2,750,000,000 worth of securities.

Mr. COLE of Kansas. That is right. The point is, as I say, that this was to be an emergency program, one which was designed to assist the people, but as it continues to snowball, roll up, with billions and billions of dollars, finally it becomes not a secondary market but a direct Government loan.

Mr. DEANE. Mr. Speaker, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from North Carolina.

Mr. DEANE. I want to commend the gentleman from Kansas for his statement. As he knows, in committee I was inclined to offer an amendment to reduce this figure.

Mr. COLE of Kansas. The gentleman is correct.

Mr. DEANE. But due to the legislative jam we are in, I withdrew the amendment. But I wish to go on record, being a member of the housing subcommittee, as saying that we need to come to grips with this subject and either increase interest rates or do something to take the Government out of direct financing, for that is what it actually is.

Mr. COLE of Kansas. I thank the gentleman for his comment, because I know he is very much interested in this program. Throughout the country many veterans are attempting to buy homes. They are finding that the GI-loan program does not furnish them the needed funds. It is my judgment that the reason the veteran is not able to find enough funds to furnish his home is because the Government has arbitrarily held down the interest rate below the going market rate for money. Now that is an illustration of what I mean when I say that the Government on the one side says that we will do what we can to assist private enterprise and then on the other hand use a large club to beat it down.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Illinois.

Mr. SPRINGER. As I understand this bill, it does do a great deal to relieve this situation, does it not, so far as the veterans are concerned, in getting loans?

Mr. COLE of Kansas. I think the veteran will be able to get loans through the secondary market of Fannie May, but let me say to the gentleman that we do not want to cheapen the dollar which the veteran is spending and, in turn, cost the veteran more money per house. It may be more detrimental than it is good.

Mr. SPRINGER. May I just follow up this very quickly? I have a telegram with reference to 300 veterans at Rantoul, Ill., which is right near Chanute Field, and I would like to get the facts as best I can because, as I understand, it does increase the possibility of their getting loans to relieve this situation; is that true or is it not?

Mr. COLE of Kansas. It does that particular thing.

Mr. CRAWFORD. Mr. Speaker, if the gentleman will yield further, Did the organization or the corporation make available to the Committee on Banking and Currency the balance sheets and operating statements of these performances?

Mr. COLE of Kansas. No; they did not. That information is in the hands of the committee, and I will include it in my statement, if it is immediately available.

(Mr. COLE of Kansas asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to, the gentleman from Alabama [Mr. JONES].

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Speaker, as House author of the original bill which established the farm housing loan program, I am particularly happy and proud today to urge the continuation of this worth-while legislation. Since 1949, thousands of farm families have been able to improve their farms, live better, enjoy better health, and obtain better production because of the farm housing loan program.

These improvements were made possible by the Housing Act of 1949 which authorized the Farmers Home Administration to extend financial assistance to the farm owners throughout the country for the purpose of constructing, remodeling, or repairing farm dwellings or other farm buildings. The act is on the statute books as Public Law 171, Eighty-first Congress, and its farm housing authorities extend only until June 30, 1953, or through a 4-year tryout period. It was anticipated that during these 4 years, Congress would be able to appraise the effectiveness of the program and to decide whether the act should be amended to provide necessary basic authority for an appropriation for one more year.

Let us take a look at what has been accomplished.

Through May 31, 1952, farm housing loans have been used to finance the construction, repair, or remodeling of 11,625 farm dwellings. Over 10,200 other farm buildings, including barns, sheds, poultry houses, milk houses, and other buildings needed for good farming have been built or repaired.

In the time prior to May 31, approximately 13,600 farm owners had received a total of $62,669,300 in housing credit. The report from my State of Alabama is that 721 loans have been made for a total of $3,608,500.

These figures do not represent a great volume of loans. We have proceeded on a very conservative basis. But each loan represents a better home or a better set of income-producing farms for a worthy American farm family. Thirteen thousand farm families are better off today than they were 3 years ago because of this program.

Although the program is intended only for those farm owners who cannot obtain adequate financing from banks or other lenders, it is being operated on a strictly business basis. Repayments are being made on schedule by most of the borrowers. In Alabama the report is that 98 percent of the farmers there who have obtained these loans have met their payments on time. The other 2 percent

are less than $200 in arrears, on an average. Interest rates are 4 percent per annum on unpaid balances.

I believe that fact alone is ample evidence of the soundness of this program. If there ever was any question in our minds about the wisdom of making these loans, that doubt has now been erased.

There is really, I believe, only one more question to be answered, so far as any fair appraisal is concerned. Does the need still exist? The recent census gives us the facts we need to settle that point. According to the 1950 census, more than one-fifth of America's 6,500,000 farm dwellings are in a dilapidated condition. More than three-fourths of all farmhouses do not have hot water, private bath, and toilet facilities.

More evidence of the real need for improved farm housing facilities is contained in a recent Bureau of Agricultural Economics report. This report is on the structural level and condition of farmhouses. It showed that 36 percent of the Nation's farmhouses were rated low in 1950, 25 percent were rated intermediate, and 39 percent were rated high. It is significant that nearly two-thirds of the houses with the lowest rating were located on farms that produced in 1949, or were expected to produce in 1950, less than $1,950 each from crops, livestock, and livestock products.

You can find these houses in every agricultural county in the United States. Great improvements in rural living conditions have been made in recent years. But we still have a long way to go before all of our farm families have decent, safe, and sanitary housing.

We, as a Nation, must continue to help our farm families get better homes to live in, and better farm buildings to work in. We are calling upon our farmers to produce more food and more fiber than ever before. They are responding, and are accomplishing the production goals through better use of land, improved utilization of available farm labor, and through intelligent planning and management.

These very improvements in production call for efficient farm plants, and efficient farm plants are not complete without good sets of buildings. The farm housing program thus far has been a boon to greater production, because it offers an opportunity for farm owners to finance the building and necessary repairs or alterations of required service buildings. Farm buildings are production facilities, and must be adapted to the changing requirements of modern agriculture. Building improvements go hand in hand with shifts in production patterns made necessary by the defense effort.

Production and storage facilities on our farms are of great importance in these days when farmers are asked to furnish a tremendous volume of farm products for the markets and for industry. Good farm buildings help farmers utilize efficiently the labor and land resources—and without the type of credit this legislation affords, countless small farmers with limited credit sources would be unable to construct or maintain the buildings they need. Bear in mind that the loans have only been made to erect or repair essential farm buildings.

Among the points to consider in the continuation of this program are these:

First. It offers the opportunity for farmers to build up the values of their properties, to make their farm homes community assets, to safeguard their families' health. Without the program their opportunities to do these things are minimized, for these loans are made only to families who cannot get credit from other sources.

Second. It gives the farmer with limited means the advantage of using his own and his family's skills and labor. He can purchase his materials from the dealer or dealers of his choice, and can employ the labor he chooses. Yet, with help from Farmers Home Administration engineers and other technical assistance, he can and does make his construction meet minimum structural requirements. The money is not thrown away on poor construction or substandard materials.

Third. Like all other lending programs administered by the Farmers Home Administration, the farm housing activities are under the watchful eyes of the county committee of three leading local citizens. This is another safeguard against waste and unwise construction.

Fourth. For the first time this program has offered farmers the housing credit advantages somewhat similar to those that have been enjoyed by urban people for many years.

Fifth. It is administered by an agency that has established a Nation-wide reputation of carrying on a good program in agriculture.

Sixth. Farmers Home Administration will continue to use this program, as it has used its other supervised credit programs, to make a maximum contribution to the mobilization effort to which American agriculture is committed.

Seventh. By having good and adequate dwellings, taking good care of production through storage facilities, being able to care for livestock efficiently with better service buildings, and increasing the value of their farms, farmers increase their taxable assets—and better earn the money with which to pay those taxes.

Eighth. The money is loaned to farm owners and is returned, with interest, to the United States Treasury.

As one who has worked conscientiously for the legislation that has made the farm housing program possible, and as one who has watched the progress the farm owners have made during the limited time the program has been in effect, I have felt that it is one of the best of our farm credit programs. It certainly is legislation that Congress can be proud of. I am sure that if greater loan authorizations had been made over the past couple of years, the entire amount would have been used wisely and would have contributed just that much more to the strength of this country.

I sincerely hope we will see fit to pass the legislation now before this body that will enable the Farmers Home Administration to continue the good work it has carried on so well up to this point.

I believe we are in accord in the belief that the program is in good and capable hands. I believe it is an essential program, and I am sure its continuance is desired by our citizenry throughout the length and breadth of this country.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I think the membership of the House should know that this so-called Fannie May, the euphonious title for this corporation, files reports as required by law with the Congress every 6 months. The entire history and operation of this organization is always open to the inspection of Members of Congress. I agree with the gentleman from Kansas [Mr. COLE] that this entire situation should be reexamined between now and the time the new Congress meets. He is a member of the Subcommittee on Housing of the Committee on Banking and Currency. That committee is doing a good job. I hope they will finish their job and bring in a report on which we can act at the next Congress.

I, too, agree that this corporation is one of the few that are making money for the Government. It borrows money at 2 percent and lends it at 4 percent. It has sustained no losses. It has been earning about $50,000,000 per year profit for the Government. Nevertheless, I think this is an instance where the Government should get out of private business as soon as possible. I voted for the present bill in committee on the representation that this would produce more defense, military, and disaster housing. I hope it is going to do that. On that basis, I think we should pass this bill.

Mr. GAMBLE. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Speaker, first I should like to concur heartily in the remarks made by the gentleman from Kansas [Mr. COLE], and the gentleman from North Carolina [Mr. DEANE]. Second, my remarks are going to be addressed to an amendment numbered section 13 to section 610 of the National Housing Act. This amendment embodies the full content of the bill S. 3295, sponsored by Senator HENDRICKSON, of New Jersey, and passed in the Senate, which attempts to make available financing for the sale to veterans of permanent veterans' housing constructed by the State of New Jersey and some of its municipalities after World War II. We had quite an extensive program in our State that was very successful. At the present time it is impossible to obtain FHA mortgage loan guaranties in order to permit veterans to take over this housing cooperatively and purchase it from the State and the various municipalities. It will give the same authority now available for purchase of Federal emergency housing. The legislation is supported by the veterans organizations of our State. It affects approximately 3,300 units of housing, and it will provide the means for the individual to become a home owner

and get the State and its municipalities out of the housing business.

I yield back the balance of my time.

Mr. GAMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Speaker, I do not like to disagree with the gentleman from Kansas, but I believe this bill is necessary for several reasons. To begin with, I think if we do not pass it we will be limiting the number of residential housing starts that could be financed during the next fiscal year which we badly need. It has been estimated that 112,500 residential housing starts will be denied if this bill is not adopted. On the other hand, I do not like to see the Government enter into the financial market to establish the rate of interest on mortgages. As long as we have need for housing, and there is certainly a great need for residential housing in the lower-cost brackets, this bill provides for financing residential housing units not to exceed $8,100. I believe this bill is essential to the interest and welfare of the Nation, and I urge its adoption.

(Mr. McDONOUGH asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill S. 3066, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AUTHORIZING SPEAKER TO DECLARE RECESSES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare recesses at any time during the balance of the week, subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FURTHER CALL OF BILLS ON PRIVATE CALENDAR ON FRIDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order on Friday next to have a further call of the bills on the Private Calendar. Some bills were just reported out yesterday, and I believe that some of them are bills from the other body.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SUPPLEMENTAL APPROPRIATIONS, LEGISLATIVE BRANCH, 1953

Mr. MAHON. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 493) making supplemental appropriations for the legislative branch for the fiscal year 1953, and for other purposes.

The Clerk read the joint resolution, as follows:

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated for the fiscal year ending June 30, 1953, the following sum:

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

For an additional amount for salaries and expenses, studies and examinations of executive agencies, by the Committee on Appropriations, including the purposes of Committee on Appropriations Resolution No. 11, adopted by the committee on July 2, 1952, $500,000.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. MAHON]?

Mr. TABER. Mr. Speaker, reserving the right to object, this resolution provides the Committee on Appropriations with funds which, in its opinion, are absolutely necessary to make the proper study and examination of the budget so that we can be prepared when the next session begins to hold the hearings in a satisfactory manner; is that not correct?

Mr. MAHON. The gentleman is correct; it is for the purpose of implementing the staff on the Committee on Appropriations, and enable the Congress to do a better job in scrutinizing the budgets and investigating expenses of the Government.

Mr. TABER. And is it not also provided in the resolution No. 11 that these investigatorial reports, except where matters of national security are involved, shall be made available at a proper time to the membership of the House and before the bills are brought to the floor?

Mr. MAHON. The gentleman is correct, and it provides for a minimum of an additional staff of 20 members.

Mr. TABER. Is it not 25?

Mr. MAHON. I believe it is 20. Of course, that is a minimum rather than a maximum.

Mr. TABER. There is no maximum?

Mr. MAHON. There is no maximum.

Mr. TABER. It is provided also that each subcommittee may have the right to have its investigations and to supervise the investigations that are made?

Mr. MAHON. Within the jurisdiction of the subcommittee.

Mr. TABER. Yes.

Mr. MAHON. The gentleman is correct.

(Mr. CANFIELD asked and was given permission to extend his remarks at this point.)

[Mr. CANFIELD addressed the House. His remarks will appear hereafter in the Appendix]

Mr. SMITH of Virginia. Mr. Speaker, reserving the right to object; is this resolution which was just passed on today by the Committee on Appropriations, as I understand, designed to take the place of the Colmer bill, which was scheduled to come up today and which was expected to come up within the next few minutes?

Mr. MAHON. May I say to the gentleman this resolution should not greatly affect the Colmer resolution one way or the other because this provides for a staff to work with the subcommittees in studying the budgets and making investigations of the executive branch of the Government in connection with the regular work of the committee.

Mr. SMITH of Virginia. It seems to me it has the same purpose, and, of course, I would not like to suggest that that was the purpose in coming out at this particular critical moment, it seems to me the gentleman might well withhold that very recent piece of legislation until the legislation, which has been given consideration, has an opportunity to be heard. I wonder if the gentleman would not withhold his request.

Mr. NORRELL. Mr. Speaker, if the gentleman will yield, there is no doubt but that this is a move to block the McClellan-Colmer resolution. I think this is a step in the right direction, but I think we should dispose of the McClellan-Colmer bills and then take up this resolution.

Mr. SMITH of Virginia. Does the gentleman object to the present consideration of the resolution?

Mr. NORRELL. No; I do not.

Mr. MAHON. Mr. Speaker, members of the committee are busily engaged on conference reports working toward the closing of the session. This has been selected as the time to consider this matter, and I hope the gentleman will not object, because it does not run contrary to his own views. I know we should have additional funds and additional personnel for the Appropriations Committee, regardless of any other pending legislation, including the Colmer bill.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. YATES. Even though the Colmer bill is passed, the Committee on Appropriations will nevertheless need a staff to assist it in its study of the budget.

Mr. MAHON. The gentleman is correct.

I hope the gentleman will not object, because I know he is not opposed to the legislation.

Mr. SMITH of Virginia. The gentleman from Mississippi [Mr. COLMER] is not present. It has been understood that his bill would have priority today. I regret deeply to object, and I hope the gentleman will not force me to do so but will defer it until a little later time and we can take up the Colmer bill and dispose of it.

The SPEAKER. Permit the Chair to say that there is a strong probability we will not reach the Colmer resolution today for the simple reason that we have two more suspensions and we have nine conference reports, five of them on appropriation bills.

Mr. SMITH of Virginia. I was relying on the assurance we had from the majority leader. I understand we are in a bad fix. I am not quarreling with anybody.

The SPEAKER. The only thing is the Chair wants the gentleman to un-

derstand that the conference reports will take precedence over everything.

Mr. SMITH of Virginia. I am not quarreling with anybody, Mr. Speaker.

Mr. MAHON. This is legislation that we should have at this time.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Minnesota.

Mr. JUDD. May I ask whether, if this resolution is passed, the Appropriations Committee will then agree to support the Colmer resolution when it comes before us?

Mr. SMITH of Virginia. I would not like to put them on any terms, but in the absence of the gentleman from Mississippi [Mr. COLMER] for the moment I will have to object.

MERGER OF TWO OR MORE NATIONAL BANK ASSOCIATIONS AND MERGER OF STATE BANKS WITH NATIONAL BANK ASSOCIATIONS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2128) to provide for the merger of two or more national banking associations and for the merger of State banks with national banking associations, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. SIMPSON of Pennsylvania. Mr. Speaker, reserving the right to object, may I suggest to the chairman of the committee that the importance of this bill requires considerable time for discussion, and I am disposed to object to the consideration of the bill by unanimous consent.

The SPEAKER. Does the gentleman from Kentucky have some other bills that are not controversial?

Mr. SPENCE. This is not controversial, Mr. Speaker. This was passed by the committee without a dissenting vote, and everybody on the committee was in favor of it.

Mr. SIMPSON of Pennsylvania. In view of the fact that it is not controversial, I renew my objection, Mr. Speaker.

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2128) to provide for the merger of two or more national banking associations and for the merger of State banks with national banking associations, and for other purposes.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918, as amended (U. S. C., title 12, secs. 33, 34, and 34a), is hereby amended by adding at the end thereof new sections 4 and 5 to read as follows:

"SEC. 4. (a) One or more national banking associations or one or more State banks, with the approval of the Comptroller, under an agreement not inconsistent with this act, may merge into a national banking association located within the same State, under the charter of the receiving association.

"(b) The merger agreement shall—

"(1) be agreed upon in writing by a majority of the board of directors of each association or State bank participating in the plan of merger;

"(2) be ratified and confirmed by the affirmative vote of the shareholders of each association or State bank owning at least two-thirds of the capital stock outstanding, at a meeting to be held on the call of the directors, after publishing notice of the time, place, and object of the meeting for four consecutive weeks in a newspaper with general circulation in the place where the association or State bank is located, and after sending such notice to each shareholder of record by registered mail at least 10 days prior to the meeting, except to those shareholders who specifically waive notice;

"(3) specify the amount of the capital stock of the receiving association which will be outstanding upon completion of the merger, the amount of stock (if any) to be allocated, and cash (if any) to be paid to the shareholders of the association or State bank being merged into the receiving association; and

"(4) provide the manner of disposing of any shares of the receiving association not taken by the shareholders of the association or State bank merged into the receiving association.

"If a merger shall be voted for at the called meetings by the necessary majorities of the shareholders of each association or State bank participating in the plan of merger, any shareholder of any association or State bank to be merged into the receiving association who has voted against the merger at the meeting of the shareholders, or has given notice in writing at or prior to the meeting to the presiding officer that he dissents from the plan of merger, shall be entitled to receive the value of the shares held by him if and when the merger shall be approved by the Comptroller. The value of the shares shall be ascertained, as of the date of the meeting of the shareholders of the association or State bank approving the merger, by an appraisal made by a committee of three persons, composed of (i) one selected by the vote of the holders of a majority of the stock, the owners of which are entitled to payment in cash; (ii) one selected by the directors of the receiving association; and (iii) one selected by the two so selected. The valuation agreed upon by any two of the three appraisers shall govern. If the value so fixed shall not be satisfactory to any dissenting shareholder who has requested payment, that shareholder may, within 5 days after being notified of the appraised value of his shares, appeal to the Comptroller, who shall cause a reappraisal to be made which shall be final and binding as to value of the shares of the appellant. If, within 90 days from the date of consummation of the merger, for any reason, one or more of the appraisers have not been selected, or the appraisers have failed to determine the value of the shares, the Comptroller, upon written request of any interested party, shall cause an appraisal to be made which shall be final and binding on all parties. The expenses of the Comptroller in making the reappraisal or the appraisal, as the case may be, shall be paid by the receiving association. The value of the shares ascertained shall be promptly paid to the shareholders by the receiving association, and the shares so paid for shall be surrendered to and canceled by the receiving association. The provisions of this paragraph shall apply only to shareholders of and stock owned by them in a bank or association being merged into the receiving association.

"(c) The corporate existence of the merging association or State bank shall be merged into that of the receiving association. All rights, franchise, and interests of the merging association or State bank in and to every type of property (real, personal, and mixed) and choses in action shall be transferred to and vested in the receiving association by virtue of such merger without any deed or other transfer. The receiving association, upon the merger and without any order or other action on the part of any court or otherwise, shall hold and enjoy all rights of property, franchises, and interests, including appointments, designations, and nominations, and all other rights and interests as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, and in every other fiduciary capacity, in the same manner and to the same extent as such rights, franchises, and interests were held or enjoyed by any merging association or State bank at the time of the merger, subject to the conditions hereinafter provided.

"Where any merging association or State bank, at the time of the merger, was acting under appointment of any court as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity, the receiving association shall be subject to removal by a court of competent jurisdiction in the same manner and to the same extent as was the merging association or State bank prior to the merger. Nothing contained in this section shall be considered to impair in any manner the right of any court to remove a receiving association and to appoint in lieu thereof a substitute trustee, executor, or other fiduciary, except that such right shall not be exercised in such a manner as to discriminate against national banking associations, nor shall any receiving association be removed solely because of the fact that it is a national banking association.

"(d) Any national banking association which is a receiving association may issue stock, with the approval of the Comptroller and in accordance with law, to be delivered to the shareholders of a merging State bank or national banking association as provided for by a merger agreement, free from any preemptive rights of the shareholders of the receiving association.

"SEC. 5. As used in this act the term—

"(1) 'State bank' means any bank, banking association, trust company, savings bank (other than a mutual savings bank), or other banking institution which is engaged in the business of receiving deposits and which is incorporated under the laws of any State, or which is operating under the Code of Law for the District of Columbia (except a national banking association located in the District of Columbia);

"(2) 'State' means the several States, the several Territories, Puerto Rico, the Virgin Islands, and the District of Columbia;

"(3) 'Comptroller' means the Comptroller of the Currency; and

"(4) 'Receiving association' means the national banking association into which one or more national banking associations or one or more State banks, located within the same State, merge."

SEC. 2. Section 3 of the act of November 7, 1918, as amended (U. S. C., title 12, sec. 34a), is amended by deleting the second paragraph thereof, which reads as follows:

"The words 'State bank', 'State banks', 'bank', or 'banks', as used in this section, shall be held to include trust companies, savings banks, or other such corporations or institutions carrying on the banking business under the authority of State laws."

Mr. CRAWFORD (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that further reading

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 7, 1952
For actions of July 3, 4, & 5, 1952
82nd-2nd, Nos. 119, 120, and 121

CONTENTS

HIGHLIGHTS: Completed congressional action on: Consolidated insect-research laboratory. Interior appropriation bill. Halogeton research and control bill. Continuation of rural-housing program. Increasing school-lunch allotments for territories and possessions. Authorizing decrease in minimum burley tobacco allotments. Continuing existing price-support levels. Sale of submarginal-land tract in N. Mex. State, Justice, Commerce appropriation bill. Increasing civil-service retirement annuities. GI Bill of Rights for veterans of Korea. Both Houses considered conference reports on supplemental appropriation bill. Both Houses received USDA supplemental Missouri Basin report. Sen. Aiken claimed Secretary Brannan drove down farm prices in 1948. Rep. Polk inserted Secretary's statement regarding charge that he drove down farm prices. House rejected bill to create joint budget committee. Rep. McCarthy inserted Secretary Brannan's policy statement on cooperatives.

SENATE - July 3

1. SUPPLEMENTAL APPROPRIATION BILL, 1953. Passed with amendments this bill, H. R. 8370 (pp. 9249-54, 9264-97). Senate conferees were appointed (p. 9297). The bill had been reported with amendments by the Appropriations Committee on July 2, during recess (S. Rept. 2076)(p. 9172). The Senate agreed to the following committee amendments:

   Providing $190,000 additional for water conservation and utilization projects, SCS (p. 9280).

   Increasing Economic Stabilization Agency from $57,130,000 to $75,000,000 (pp. 9286-7).

   Striking out the provision that personnel or funds of any agency shall be transferred to the extent necessary to provide for national-defense assignments (p. 9288).

   Agreed to additional amendments as follows:

   By Sen. Holland, to provide that the Whitten amendment shall not prevent the operation of export payment programs under Sec. 32 nor prevent the sale of deteriorated CCC stocks at less than support price (p. 9292). The Whitten amendment was for the purpose of preventing the use of Sec. 32 funds in such a way as to allow cooperating governments to buy from CCC at less than support price and then have the difference made up with Sec. 32 funds.

   By Sen. Case, for himself and Sen. McFarland, to provide $125,000 for sea-water research pursuant to H. R. 6758 (pp. 9293-5).

   By Sen. Thye, for himself and Sen. Humphrey, to appropriate $2,913,600 for construction of Minn. transmission lines by the Bureau of Reclamation (pp. 9295-7).

   Rejected an amendment by the committee to provide $500,000 additional for investigations by the House Appropriations Committee. Sen. McClellan claimed that this amendment, which had been requested by the Chairman of the House Committee, was for the purpose of helping to defeat S. 913, the joint budget committee bill, on the House floor. At first the Senate agreed to the amendment but substituted the language of the entire bill, S. 913, for the appropriation item of $500,000. Later, on reconsideration, the Senate struck out the substitute amendment also. (pp. 9270-3, 9288-90, 9292-3.)

2. PRICE SUPPORTS. Sen. Aiken again charged that Secretary Brannan had caused farm prices to decline during the 1948 campaign. He inserted and criticized the Secretary's recent statement on this matter. (pp. 9254-64.)

3. HOUSING. Agreed to the conference report on S. 3066, the housing bill, which includes a provision extending the rural housing program, administered by this Department, for an additional year (pp. 9299). The House received the report (pp. 9353-4). Senate Conferees had been appointed (pp. 9178, 9343.)

4. FOREIGN AID. Received the President's report on lend-lease operations from April through Dec. 1951 (p. 9172). Also received in the House (pp. 9318-9).

5. MISSOURI BASIN. Received from this Department a supplemental report on the Missouri Basin Agricultural Program; to Agriculture and Forestry Committee (p. 9172).

6. EXPENDITURES. Received a Byrd Committee report on personnel employment in the Executive Branch for May 1952 (pp. 9172-6).

7. PRICE SUPPORTS. Received a N. Dak. Farmers Union Local petition favoring 100%-of-parity price supports (p. 9173).

HOUSING ACT OF 1952

JULY 3, 1952.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 3066]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3066) to amend defense housing laws, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 1.

That the Senate recede from its disagreement to the amendment of the House numbered 2.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
HENRY O. TALLE,
ALBERT M. COLE,
Managers on the Part of the House.

B. R. MAYBANK,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
HOMER E. CAPEHART,
ANDREW F. SCHOEPPEL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3066) to amend defense housing laws, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1 of the House struck out section 12 of the Senate bill which section would have amended section 5 (c) of the Home Owners' Loan Act of 1933, as amended, to authorize Federal savings and loan associations to purchase loans secured by first liens on improved real estate which are insured under the provisions of the National Housing Act, as amended, or the Servicemen's Readjustment Act of 1944, as amended, without regard to the 50-mile area restriction now applicable to such purchases. In retaining this provision authorizing such purchases the committee of conference desires to make it clear that the authority so provided is permissive, and that it does not authorize any such association to originate this type of loan beyond the present statutory area limitations.

Amendment No. 2, which is retained in the conference report, pertains to certain insuring programs administered by the Federal Housing Commissioner pursuant to the National Housing Act.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
HENRY O. TALLE,
ALBERT M. COLE,
Managers on the Part of the House.

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BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DOUGLAS:

S. 3458. A bill for the relief of Robert David Franklin (Shunichi Tanimura); to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 3459. A bill authorizing the conveyance of certain lands to the town of Hope, N. Mex.; to the Committee on Agriculture and Forestry.

S. 3460. A bill for the relief of Elias Kulukundis; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 3461. A bill for the relief of Sarkis Diarbekerian and his family; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 3462. A bill for the relief of Wilton J. Parker; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 3463. A bill to authorize a program for runoff and waterflow retardation and soil-erosion prevention for the Pecos River watershed in New Mexico and Texas; and

S. 3464. A bill to amend and supplement the Federal-Aid Highway Act of 1952, approved June 25, 1952; to the Committee on Public Works.

By Mr. SALTONSTALL (for Mr. LODGE):

S. 3465. A bill for the relief of Helena Bilinska; and

S. 3466. A bill for the relief of George Khouri; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 3467. A bill for the relief of Lillian Kontou Coussoulis; to the Committee on the Judiciary.

By Mr. HOLLAND (by request):

S. 3468. A bill for the relief of Michele Bevivino; to the Committee on the Judiciary.

By Mr. UNDERWOOD:

S. 3469. A bill for the relief of Michael Kay; and

S. 3470. A bill for the relief of Ronald Lee Shields; to the Committee on the Judiciary.

By Mr. BENNETT (for himself and Mr. WATKINS):

S. J. Res. 171. Joint resolution authorizing the erection of a sculptural piece known as "The Pony Express" in Washington, D. C.; to the Committee on Rules and Administration.

AMENDMENT OF FEDERAL RESERVE ACT—CORRECTION IN ENROLLMENT OF BILL

Mr. MAYBANK. Mr. President, I submit a concurrent resolution, the purpose of which is to make a correction in the enrollment of the bill (S. 2938) to amend section 9 of the Federal Reserve Act, as amended, and section 5155 of the Revised Statutes, as amended, and for other purposes. I ask unanimous consent for its immediate consideration.

There being no objection, the concurrent resolution (S. Con. Res. 88) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 2938) to amend section 9 of the Federal Reserve Act, as amended, and section 5155 of the Revised Statutes, as amended, and for other purposes, to make the following correction, namely: On page 2, line 19, of the Senate engrossed bill, in lieu of the language "(b) Subsection (c) or section" insert "(b) Subsection (c) of section."

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles, and referred, as indicated:

H. R. 168. An act to extend the statute of limitations with respect to certain suits;

H. R. 1508. An act conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California;

H. R. 3624. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to State jurisdiction over offenses committed by or against Indians in the Indian country, and to confer on the State of California civil jurisdiction over Indians in the State;

H. R. 6036. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to State jurisdiction over offenses committed by or against Indians in the Indian country; and

H. R. 8273. An act to amend title 17 of the United States Code entitled "Copyrights" with respect to the day for taking action when the last day for taking such action falls on Saturday, Sunday, or a holiday; to the Committee on the Judiciary.

H. R. 1222. An act to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948 to provide for the crediting of certain service in the Army of the United States for certain members of the Reserve components of the Air Force of the United States;

H. R. 8177. An act to provide for sundry administrative matters affecting the Federal Government, particularly the Army, Navy, Air Force, and State Department, and for other purposes; and

H. R. 8222. An act to authorize the loan of certain naval patrol-type vessels to the Government of Japan; to the Committee on Armed Services.

H. R. 1631. An act to set aside certain lands in Oklahoma, formerly a part of the Cheyenne-Arapaho Reservation, and known as the Fort Reno Military Reservation, for the Cheyenne-Arapaho Tribes of Indians of Oklahoma, and for other purposes;

H. R. 5226. An act to transfer to the Territory of Hawaii title to property heretofore set aside for the use of the University of Hawaii;

H. R. 6136. An act to provide the basis for authorization of a study and report of irrigation works in connection with Chief Joseph Dam, to provide for financial assistance thereto from power revenues, and for other purposes;

H. R. 7104. An act to amend the act of Congress of September 3, 1935 (49 Stat. 1085), as amended;

H. R. 7487. An act to amend section 1 of the act approved June 27, 1947 (61 Stat. 189); and

H. R. 8341. An act to amend the act of July 31, 1947 (61 Stat. 681); to the Committee on Interior and Insular Affairs.

H. R. 5954. An act to provide for the release to the city of Camden of all the right, title, and interest of the United States in and to certain land heretofore conditionally granted to such city;

H. R. 7126. An act to authorize and direct the Secretary of Commerce to convey certain land and grant certain easements to the State of California for highway-construction purposes in Richmond, Calif.;

H. R. 7722. An act to amend the Public Health Service Act so as to provide for equality of grade, pay, and allowance between the Chief Medical Officer of the Coast Guard and comparable officers of the Army; and

H. J. Res. 218. Joint resolution to provide for intensified research into the causes, hazards, and effects of air pollution, into methods for its prevention and control and for recovery of critical materials from atmospheric contaminants, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 6167. An act to prohibit reduction of any rating of total disability or permanent total disability for compensation, pension, or insurance purposes which has been in effect for 20 or more years; and

H. R. 6241. An act to provide for the refund or credit of the internal-revenue tax paid on fermented malt liquors lost or rendered unmarketable by reason of the floods of 1951 where such fermented malt liquors were in possession of (1) the original taxpayer, (2) a dealer who sells fermented malt liquors at wholesale, or (3) a dealer who sells fermented malt liquors at retail; to the Committee on Finance.

H. R. 6326. An act to amend subsections (c) and (d) of section 3 of the Postal Salary Act of July 6, 1945, as amended; and

H. R. 8006. An act to provide for an adjustment in the compensation of certain employees transferred from the field service of the Post Office Department to the General Services Administration pursuant to Reorganization Plan No. 18 of 1950, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 6436. An act to change the name of the Bonneville Power Administration to the Columbia Power Administration; to the Committee on Public Works.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. CHAVEZ, from the Committee on Public Works:

Raymond Ross Paty, of Georgia, to be a member of the Board of Directors of the Tennessee Valley Authority.

By Mr. McCARRAN, from the Committee on the Judiciary:

James William Johnson, Jr., of Nevada, to be United States attorney for the district of Nevada, vice Miles N. Pike, resigned.

By Mr. STENNIS, from the Committee on Armed Services:

James T. Hill, of the District of Columbia, to be Assistant Secretary of the Air Force;

Lt. Gen. Henry Spiese Aurand, commanding general, United States Army, Pacific (major general, U. S. Army), to be placed on the retired list in the grade of lieutenant general;

Lt. Gen. John Reed Hodge, Army of the United States (major general, U. S. Army), for appointment as Chief, Army Field Forces, with the rank of general;

Maj. Gen. John Taylor Lewis, United States Army, for appointment as commanding general, Army Antiaircraft Command, with the rank of lieutenant general;

Maj. Gen. George Price Hays, United States Army, for appointment as commanding general, United States Forces, Austria, with the rank of lieutenant general;

Brig. Gen. Silas Beach Hays, and sundry other officers for temporary appointment in the Army of the United States;

Maj. Gen. Thomas Wade Herren, and sundry other officers for appointment in the Regular Army of the United States;

Lt. Gen. Lauris Norstad, and sundry other officers for appointment and promotion in the Regular Air Force;

Raymond P. Coffman of the Marine Corps for permanent appointment to the grade of brigadier general; and

Samuel K. Bird of the Marine Corps for temporary appointment to the grade of brigadier general.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. UNDERWOOD:

Statement prepared by him entitled "The Real Issues."

By Mr. WILEY:

An editorial from the June 19 issue of the Milwaukee Journal with reference to thousands of Government workers and the considerable extravagance in which they indulge.

By Mr. FREAR:

Editorial entitled "The Canal at Mid-Century," from the Wilmington (Del.) Journal-Every Evening of July 2, relating to the Summit (Del.) Highway Bridge.

By Mr. THYE:

Editorial entitled "New Immigration Law," published in the Minneapolis Morning Tribune on June 30, 1952.

Article entitled "Eightieth Congress Wasn't So Bad," written by Bruce Barton, and published in the Minneapolis Star on June 28, 1952.

Article entitled "Sweat, Toil, While Facing Death," written by Constantine Brown, and published in the Washington Evening Star of July 2, 1952, which will appear hereafter in the Appendix.

By Mr. LANGER:

Excerpts from report of Highway Safety Conference called by the Governor of North Dakota, and held at Bismarck, N. Dak., on May 12 and 13, 1952.

REQUEST FOR INSERTION OF MATERIALS IN APPENDIX OF THE FINAL ADDITION OF THE CONGRESSIONAL RECORD

Mr. WILEY. Mr. President, I ask unanimous consent that there be printed in the final edition of the CONGRESSIONAL RECORD certain miscellaneous materials which I am preparing with regard to the challenges of 1952 and the years ahead in both domestic and foreign affairs.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF DEFENSE HOUSING LAWS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3066) to amend defense housing laws, and for other purposes, which were, on page 9, strike out all after line 24 over to and including line 9 on page 10; and on page 10, after line 9 insert:

SEC. 12. Section 903 (c) of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new sentence: "Upon application of the mortgagee with the consent of the mortgagor of a mortgage for which a commitment to insure has been issued pursuant to section 203 of this act covering property on which the construction of the dwellings thereon was begun prior to the enactment of this title and the determination of prevailing wages in the locality in accordance with section 212, the Commissioner is authorized, notwithstanding such beginning of construction, to convert such commitment to a commitment under section 908; any charges or fees paid to the Commissioner with respect to such insurance under section 203 shall be credited to charges or fees due the Commissioner with respect to such insurance under section 908; and the determination of prevailing wages in the locality for purposes of section 212 may be made by the Secretary of Labor at any time prior to the insurance under section 908: *Provided,* That such mortgage, or the mortgage covering the same property executed in substitution therefor, is otherwise eligible for insurance under section 908."

SEC. 13. Section 610 of the National Housing Act, as amended, is amended by adding at the end thereof the following new paragraph:

"The Commissioner is further authorized to insure or to make commitments to insure under section 608 of this title in accordance with the provisions of this section any mortgage executed in connection with the sale by a State or municipality, or an agency, instrumentality, or body politic of either, of any permanent housing (including any property acquired, held, or constructed in connection therewith or to serve the inhabitants thereof), constructed by or on behalf of such State, municipality, agency, instrumentality, or body politic, for the occupancy of veterans of World War II, their families, and others: *Provided,* That the principal obligation of any such mortgage does not exceed either 85 percent of the appraised value of the mortgage property as determined by the Commissioner or $8,100 per family unit for such part of such property as may be attributable to dwelling use."

Mr. MAYBANK. Mr. President, I move that the Senate disagree to the amendments of the House; request a conference with the House on the disagreeing votes of the two Houses thereon, and that the chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAYBANK, Mr. ROBERTSON, Mr. SPARKMAN, Mr. CAPEHART, and Mr. BRICKER conferees on the part of the Senate.

AMENDMENT OF SECTION 8 OF CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2968) to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, which was, to strike out all after the enacting clause and insert:

That section 8 of the Civil Service Retirement Act of May 29, 1930, as amended (5 U. S. C. 736c), is amended by adding at the end thereof the following:

"(c) (1) The annuity of any employee or survivor of a deceased employee who, before the date of enactment of this amendment, was receiving or entitled to receive an annuity from the fund, shall be increased, effective on the first day of the second month following enactment of this amendment, by $36 for each full six-month period elapsed between the commencing date of annuity and October 1, 1952: *Provided,* That such increase in annuity shall not exceed the lesser of $324 or 25 per centum of the present annuity: *Provided further,* That no annuity shall be increased to an amount in excess of $2,000 by reason of the enactment of this amendment.

"(2) The increases in annuity provided by this subsection shall be paid from the civil-service retirement and disability fund, and shall terminate, without subsequent resumption, on June 30, 1955, or on an earlier date under any one of the following conditions, whichever may first occur:

"(A) At the end of the second month following the third consecutive month for which the Consumers' Price Index of the Bureau of Labor Statistics is less than 169.9, the index for the month of April 1948. In the event that the Bureau of Labor Statistics revises the basis of calculating the Consumers' Price Index, it shall immediately furnish to the Commission a conversion factor designed to adjust to the new basis the index figure of 169.9 described herein, and such adjusted index shall be used for the purposes of this subsection.

"(B) On June 30, 1953, unless an appropriation is made to the civil-service retirement and disability fund in the applicable annual appropriation act, for the fiscal year 1954, or in any prior appropriation act, for the specific purpose of compensating said fund for the cost, as determined by the Commission, of increases provided by this subsection during the fiscal years 1953 and 1954.

"(C) On June 30, 1954, unless an appropriation is made to the civil-service retirement and disability fund, in the applicable annual appropriation act, for the fiscal year 1955, or in any prior appropriation act for the specific purpose of compensating said fund for the cost, as determined by the Commission, of increases provided by this subsection during the fiscal year 1955."

SEC. 2. (a) There is hereby created a body to be known as the Committee on Retirement Policy for Federal Personnel, which shall be composed of a chairman appointed by the President and, ex officio, the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Bureau of the Budget, and the Chairman of the Civil Service Commission.

(b) The Committee shall make a comparative study of all retirement systems for all Federal personnel and report to the Congress not later than December 31, 1953. Its report, including findings and recommendations, shall include the following:

(1) the types and amounts of retirement and other related benefits provided to Federal personnel, including their role in the compensation system as a whole;

(2) the necessity for special benefit provisions for selected employee groups, including overseas personnel and employees in hazardous occupations;

(3) the relationships of these retirement systems to one another, to the Federal employees' compensation system, and to such general systems as old-age and survivors insurance; and

(4) the current financial status of the several systems, the most desirable methods of cost determination and funding, the division of costs between the Government and the members of the systems, and the policies that should be followed in meeting the Government's portion of the cost of the various systems.

(c) The Chairman of said Committee, under such rules and regulations as the President may prescribe, is authorized to procure services pursuant to section 15 of the act of August 2, 1946 (5 U. S. C. 55a), and subject to the civil-service laws and the Classification Act of 1949, as amended, to appoint and fix the compensation of such attorneys and

Mr. HART. Mr. Speaker, when the bill S. 241 came from the Senate it contained a provision authorizing tax deferments with respect to certain deposit of earnings by unsubsidized operators in construction reserve funds. That was stricken out by the House. The Senate bill also provided that in addition to the deferment granted subsidized operators on required deposits, they be granted tax deferment on normal and surtaxes on voluntary deposits. The House extended that privilege only to normal taxes.

Those were the main differences between the Senate and the House. Being unable to agree on tax deferments to subsidized operators the conference unanimously decided on dropping all reference to tax deferments from the bill, the Senate having first agreed to the elimination of tax deferments to the unsubsidized operators.

The bill as agreed on carries no other amendment of consequence, and the report of the conferees on the part of both the Senate and the House is unanimous.

Mr. Speaker, I have no requests for time on this report, and I move the previous question thereon.

Mr. Speaker, I move the previous question on the conference report.

CALL OF THE HOUSE

Mr. KEATING. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair thinks that a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 138]

Abernethy	Forrester	O'Hara
Adair	Furcolo	Patman
Allen, La.	Hall,	Poage
Anderson, Calif.	Edwin Arthur	Potter
Anfuso	Harden	Powell
Armstrong	Hébert	Reece, Tenn.
Bakewell	Heller	Reed, N. Y.
Barden	Herter	Regan
Bates, Ky.	Heselton	Richards
Beckworth	Hillings	Robeson
Bender	Hoffman, Ill.	Ross
Bentsen	Hope	Sabath
Brehm	Jenkins	Sadlak
Brown, Ohio	Johnson	St. George
Buckley	Kearney	Sasscer
Burdick	Kennedy	Scott,
Butler	Keogh	Hugh D., Jr.
Carlyle	Kilburn	Sheehan
Celler	Kilday	Sikes
Cole, Kans.	King, Pa.	Stigler
Cole, N. Y.	Klein	Sutton
Combs	Larcade	Tackett
Cooper	Lyle	Taylor
Davis, Tenn.	McCarthy	Teague
Davis, Wis.	Mack, Wash.	Thompson, Tex.
Dingell	Mitchell	Watts
Dolliver	Morano	Welch
Doughton	Morris	Wickersham
Elston	Morrison	Wier
Evins	Morton	Willis
Fenton	Moulder	Wolcott
Fisher	Nelson	Woodruff

The SPEAKER. On this roll call 324 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LONG-RANGE SHIPPING BILL

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE—DEFENSE HOUSING

The SPEAKER. The Chair lays before the House a message from the Senate.

The Clerk read as follows:

Resolved, That the Senate disagree to the amendments of the House of Representatives to the bill (S. 3066) entitled "An act to amend defense housing laws, and for other purposes," and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. MAYBANK, Mr. ROBERTSON, Mr. SPARKMAN, Mr. CAPEHART, and Mr. BRICKER be the conferees on the part of the Senate.

LESLIE L. BIFFLE,
Secretary.

Mr. SPENCE. Mr. Speaker, I move that the House insist on its amendments to the bill S. 3066, and agree to the conference asked by the Senate.

Mr. Speaker, this motion provides for the essential legislative process, the only way by which the differences can be ironed out.

I move the previous question, Mr. Speaker.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. SPENCE.]

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, RAINS, GAMBLE, TALLE, and COLE of Kansas.

MESSAGE FROM THE SENATE—AMENDING CIVIL SERVICE RETIREMENT ACT

The SPEAKER. The Chair lays before the House a message from the Senate.

The Clerk read as follows:

Resolved, That the Senate disagree to the amendment of the House of Representatives to the bill (S. 2968) entitled "An act to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended," and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. JOHNSTON of South Carolina, Mr. PASTORE, Mr. SMATHERS, Mr. LANGER, and Mr. DUFF be the conferees on the part of the Senate.

LESLIE L. BIFFLE,
Secretary.

Mr. MURRAY. Mr. Speaker, I move that the House insist on its amendment to the bill S. 2968, and agree to the conference requested by the Senate.

The SPEAKER. The question is on the motion offered by the gentleman from Tennessee [Mr. MURRAY].

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. MURRAY, MILLER of California, and REES of Kansas.

AMENDING THE LEGISLATIVE REORGANIZATION ACT OF 1946

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 695 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7888) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CORRECTION OF ROLL CALL

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to correct the RECORD and Journal on roll call No. 133 to show that I voted in the affirmative.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CORRECTION OF THE PERMANENT RECORD

Mr. ABBITT. Mr. Speaker, on last Monday I placed in the RECORD an insertion which appears at page 8698. It should have followed the address by the gentleman from Ohio [Mr. HAYS] where he offered his amendment on page 8699. I ask unanimous consent that the permanent RECORD be corrected so that my statement may follow that of the gentleman from Ohio [Mr. HAYS] speaking on his amendment to the bill H. R. 8122.

The SPEAKER. Without objection, the permanent RECORD will be corrected accordingly.

There was no objection.

EXTENSION OF REMARKS

Mr. JUDD. Mr. Speaker, on yesterday I inserted in the Appendix an address by Dr. Harold Moulton, which I am advised exceeds the regular amount allowed and will cost $231. I ask unanimous consent that the extension may

be made, notwithstanding the additional cost.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AMENDING THE LEGISLATIVE REORGANIZATION ACT OF 1946

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SMITH of Virginia. I have two or three matters that will take only a minute or two, and I wonder if it would be in order for the Speaker to recognize me to take them up at this time.

The SPEAKER. It would.

REPORTS FROM COMMITTEE ON WAYS AND MEANS

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 728, the sole purpose of which is to permit the Committee on Ways and Means to file their reports during the recess of the House.

The Clerk read the resolution, as follows:

Resolved, That House Resolution 78, as amended, is further amended by inserting at the end thereof the following paragraph:

"The committee may report to the House at any time during the present Congress the results of any studies or investigations made under authority of this resolution, together with such recommendations as it deems appropriate. Any such report which is made when the House is not in session shall be filed with the Clerk of the House."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORTS FROM COMMITTEE ON BANKING AND CURRENCY

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 729 with respect to reports from the Committee on Banking and Currency.

The Clerk read the resolution, as follows:

Resolved, That House Resolution 436 is amended by adding at the end thereof the following paragraph:

"The committee may report to the House at any time during the present Congress the results of any study or investigation conducted under authority of this resolution, together with such recommendations as it deems appropriate. Any such report which is made when the House is not in session shall be filed with the Clerk of the House."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR MEMBERS OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS TO SERVE ON OTHER COMMITTEES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent for the present consideration of House Resolution 647.

This resolution was considered yesterday, having for its purpose to permit minority members of the Committee on Expenditures in the Executive Departments to serve on other committees. There was a question about it yesterday because we really did not include the same privileges to the members of the Committee on House Administration.

There is an amendment here which I shall offer if permitted which will extend the same privilege to the Committee on House Administration.

The Clerk read the resolution, as follows:

Resolved, That clause (a) 8 of rule X of the Rules of the House of Representatives is amended by striking out "Committee on Expenditures in the Executive Departments" and inserting in lieu thereof "Committee on Government Operations."

Clause (b) (3) of rule X is amended to read as follows:

"All vacancies in standing committees in the House shall be filled by election by the House. Each Member shall be elected to serve on one standing committee and no more; except that Members who are elected to serve on the Committee on the District of Columbia, Committee on Government Operations, or on the Committee on Un-American Activities may be elected to serve on two standing committees and no more, and Members of the majority party who are elected to serve on the Committee on House Administration may be elected to serve on two standing committees and no more."

Clause (1) (h) (1) of rule XI is amended by striking out "Committee on Expenditures in the Executive Departments" and inserting in lieu thereof "Committee on Government Operations."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, as I understand this amendment gives to the Committee on House Administration the same privileges that the Committee on Expenditures has.

Mr. SMITH of Virginia. That is my understanding.

Mr. HOFFMAN of Michigan. I have no objection to their riding along on the bill.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. The gentleman from Virginia referred to the possibility of offering such an amendment; what is the parliamentary situation?

The SPEAKER. If consent for consideration of this resolution is granted the gentleman from Virginia said he would offer the amendment.

Is there objection to the present consideration of the resolution?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia:

Page 1, line 12, after the word "operations", strike out the words "or on."

And on page 2, line 1, after the word "activities", strike out the words "may be elected to serve on two standing committees and no more and members of the majority party who are elected to serve on" and insert the word "or."

The amendment was agreed to.

The resolution was agred to.

A motion to reconsider was laid on the table.

AMENDING THE LEGISLATIVE REORGANIZATION ACT OF 1946

Mr. SMITH of Virginia. Does the gentleman from Illinois have any requests for time?

Mr. ALLEN of Illinois. Yes; does not the gentleman have requests for time?

Mr. SMITH of Virginia. No, I do not.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may use of my 30 minutes.

Mr. Speaker, I think this resolution attempts to do something logical. I think, however, the membership should know that when the ranking member of the Committee on Appropriations [Mr. TABER] as well as the Chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], came before the Committee on Rules I asked both whether they needed this extra staff.

As you know, this bill provides for a joint committee of the Senate and House for the purpose of having expert economists and financiers for the Committee on Appropriations. When they came before the Committee on Rules I naturally wanted to know the attitude of the Chairman of the Committee on Appropriations and the ranking minority member of the committee because, after all, they are the two most important members who will be on this joint committee; so I asked both if they felt it was necessary to have this additional staff, whether they could accomplish any useful or necessary purpose or any necessary function which would give the Congress of the United States or the Committee on Appropriations a better knowledge of the working departments of the Government.

The gentleman from Missouri, [Mr. CANNON], Chairman of the Committee on Appropriations, who would have much to say in the appointment of the staff and who would naturally be more important in regard to the supervision of that staff said definitely not, or substantially those words. The gentleman

Jones, Hamilton C.
Jones, Woodrow W.
Judd
Kean
Keating
Kerr
Lane
Lanham
Lantaff
Latham
LeCompte
Lucas
McCulloch
McGregor
McIntire
McMullen
McVey
Mack, Wash.
Martin, Iowa
Merrow
Miller, N. Y.
Mills
Murray
Norblad
Norrell
O'Brien, Mich.
Ostertag
Philbin
Phillips
Prouty
Radwan
Reams
Redden
Ribicoff
Riehlman
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Ross
Schenck
Scudder
Seely-Brown
Sittler
Smith, Miss.
Smith, Va.
Springer
Stanley
Steed
Taile
Teague
Thornberry
Tollefson
Trimble
Van Peit
Velde
Vursell
Walter
Weichel
Wheeler
Widnall
Williams, Miss.
Wilson, Tex.
Winstead
Wood, Idaho
Yates
Yorty

NAYS—173

Allen, Ill.
Andersen, H. Carl
Anderson, Calif.
Andresen, August H.
Angell
Arends
Aspinall
Auchincloss
Bailey
Barrett
Bates, Mass.
Beall
Betts
Bishop
Blatnik
Bolling
Bosone
Bow
Bray
Brownson
Buchanan
Budge
Burnside
Bush
Cannon
Carnahan
Carrigg
Celler
Chenoweth
Chudoff
Clevenger
Crawford
Crosser
Curtis, Mo.
Curtis, Nebr.
Davis, Wis.
Delaney
Dempsey
Denny
Denton
Dingell
Dollinger
Dondero
Doyle
Eberharter
Engle
Fallon
Feighan
Fernandez
Fine
Flood
Fogarty
Forand
Ford
Fulton
Garmatz
Gary
Gavin
Golden
Gordon
Graham
Granahan
Green
Greenwood
Hall, Leonard W.
Halleck
Hand
Harrison, Nebr.
Hart
Havenner
Hays, Ohio
Hedrick
Heffernan
Hess
Hill
Hoffman, Mich.
Horan
Hull
Irving
Jackson, Wash.
James
Jenkins
Jones, Mo.
Karsten, Mo.
Kearns
Kee
Kelley, Pa.
Kelly, N. Y.
King, Calif.
Kirwan
Kluczynski
Lesinski
Lind
Lovre
McConnell
McCormack
McDonough
McGrath
McGuire
McKinnon
Machrowicz
Mack, Ill.
Madden
Magee
Mahon
Mansfield
Marshall
Meader
Miller, Calif.
Miller, Md.
Miller, Nebr.
Morgan
Multer
Mumma
Murdock
Murphy
Nicholson
O'Brien, Ill.
O'Konski
O'Neill
Osmers
O'Toole
Passman
Patten
Patterson
Perkins
Polk
Poulson
Preston
Price
Rabaut
Rankin
Reed, Ill.
Reed, N. Y.
Rees, Kans.
Rhodes
Riley
Rivers
Rogers, Mass.
Rooney
Roosevelt
Sasscer
Saylor
Scott, Hardie
Scrivner
Secrest
Shafer
Shelley
Sheppard
Short
Sieminski
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Wis.
Staggers
Stockman
Taber
Thomas
Thompson, Mich.
Van Zandt
Vinson
Vorys
Werdel
Wharton
Whitten
Wier
Wigglesworth
Williams, N. Y.
Wilson, Ind.
Withrow
Wolverton
Zablocki

NOT VOTING—102

Aandahl
Abernethy
Adair
Allen, La.
Anfuso
Bakewell
Baring
Bates, Ky.
Beckworth
Bender
Bentsen
Blackney
Brehm
Brown, Ohio
Buckley
Burdick
Butler
Camp
Carlyle
Clemente
Cole, Kans.
Cole, N. Y.
Combs
Cooper
Davis, Tenn.
Dawson
Dolliver
Eaton
Elston
Evins
Fenton
Fisher
Forrester
Furcolo
George
Granger
Hall, Edwin Arthur
Harden
Hébert
Heller
Herter
Heselton
Hillings
Hoffman, Ill.
Holifield
Hope
Johnson
Jonas
Kearney
Kennedy
Keogh
Kersten, Wis.
Kilburn
Kilday
King, Pa.
Klein
Larcade
Lyle
McCarthy
McMillan
Martin, Mass.
Mason
Mitchell
Morano
Morris
Morrison
Morton
Moulder
Nelson
O'Brien, N. Y.
O'Hara
Patman
Poage
Potter
Powell
Priest
Rains
Ramsay
Reece, Tenn.
Regan
Richards
Robeson
Sabath
Sadlak
St. George
Scott, Hugh D., Jr.
Sheehan
Sikes
Spence
Stigler
Sutton
Tackett
Taylor
Thompson, Tex.
Vail
Watts
Welch
Wickersham
Willis
Wolcott
Wood, Ga.
Woodruff

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Keogh against.

Mr. Abernethy for, with Mr. Mitchell against.

Mr. Robeson for, with Mr. Heller against.

Mr. Forrester for, with Mr. Klein against.

Mr. Camp for, with Mr. O'Brien of New York against.

Mr. Wood for, with Mr. Clemente against.

Until further notice:

Mr. Morrison with Mr. Adair.
Mr. Wickersham with Mr. Bakewell.
Mr. Moulder with Mr. Bender.
Mr. Cooper with Mr. Morano.
Mr. Evins with Mr. Mason.
Mr. Morris with Mr. Morton.
Mr. Granger with Mr. Nelson.
Mr. Powell with Cole of New York.
Mr. Anfuso with Mr. Fenton.
Mr. Allen of Louisiana with Mrs. Harden.
Mr. Holifield with Mr. Hillings.
Mr. Sabath with Mr. George.
Mr. Kilday with Mr. Elston.
Mr. McCarthy with Mr. Blackney.
Mr. Lyle with Mr. King of Pennsylvania.
Mr. McMillan with Mr. Kearney.
Mr. Sikes with Mr. Hope.
Mr. Welch with Mr. Hoffman of Illinois.
Mr. Willis with Mr. Vail.
Mr. Bates of Kentucky with Mr. Taylor.
Mr. Bentsen with Mr. Potter.
Mr. Buckley with Mr. Reece of Tennessee.
Mr. Furcolo with Mr. Herter.
Mr. Patman with Mr. Heselton.
Mr. Priest with Mr. Wolcott.
Mr. Rains with Mr. Woodruff.
Mr. Ramsay with Mr. Brown of Ohio.
Mr. Kennedy with Mr. Sadlak.
Mr. Larcade with Mrs. St. George.
Mr. Watts with Mr. Butler.
Mr. Dawson with Mr. O'Hara.
Mr. Sutton with Mr. Sheehan.

Mrs. BOLTON changed her vote from "nay" to "yea."

Messrs. MANSFIELD and PATTERSON changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COLMER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the resolution just considered.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. VORYS. Mr. Speaker, the Colmer bill looks fine superficially, and if it would do the things its proponents claim for it. I would be for it, but sad experience with similar proposals convinces me it will not work. It would replace a similar budget provision in the Legislative Reorganization Act which looks good on its surface but which has never worked as planned. I helped create a "watchdog committee" in the ECA law, a joint House-Senate committee with a staff to do exactly the same thing for foreign-aid spending that is proposed for our entire budget. I served on that "watchdog committee" as long as it functioned. While it did some constructive work at the outset, I regret to say that its net value during its existence was not much.

What is needed is to expand the Appropriations Committee staff with the right kind of qualified personnel in sufficient numbers. This was done in the Eightieth Congress. This excellent staff was dismantled in the Eighty-first Congress, and has never been restored.

One thing is clear: We will never secure real economy in Government under a spending administration, no matter what Congress does. On the other hand, if we elect a Republican President and a Republican Congress, I feel sure that proper machinery for screening and reducing expenditures will be provided, both in the executive departments and here in Congress.

AMENDING DEFENSE HOUSING LAWS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (S. 3066) to amend defense housing laws, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(The conference report and statement follows:)

CONFERENCE REPORT (H. REPT. NO. 2480)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3066) to amend defense housing laws, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 1.

That the Senate recede from its disagreement to the amendment of the House numbered 2.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
HENRY O. TALLE,
ALBERT M. COLE,
Managers on the Part of the House.

B. R. MAYBANK,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
HOMER E. CAPEHART,
ANDREW F. SCHOEPPEL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of

the two Houses on the amendments of the House to the bill (S. 3066) to amend defense housing laws, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1 of the House struck out section 12 of the Senate bill which section would have amended section 5 (c) of the Home Owners' Loan Act of 1933, as amended, to authorize Federal savings and loan associations to purchase loans secured by first liens on improved real estate which are insured under the provisions of the National Housing Act, as amended, or the Servicemen's Readjustment Act of 1944, as amended, without regard to the fifty-mile area restriction now applicable to such purchases. In retaining this provision authorizing such purchases the committee of conference desires to make it clear that the authority so provided is permissive, and that it does not authorize any such association to originate this type of loan beyond the present statutory area limitations.

Amendment No. 2, which is retained in the conference report, pertains to certain insuring programs administered by the Federal Housing Commissioner pursuant to the National Housing Act.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
HENRY O. TALLE,
ALBERT M. COLE,
Managers on the Part of the House.

VETERANS' READJUSTMENT ASSISTANCE ACT OF 1952

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H. R. 7656) to provide vocational readjustment and to restore lost educational opportunities to certain persons who served in the Armed Forces on or after June 27, 1950, and prior to such date as shall be fixed by the President or the Congress, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 2481)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7656) to provide vocational readjustment and to restore lost educational opportunities to certain persons who served in the Armed Forces on or after June 27, 1950, and prior to such date as shall be fixed by the President or the Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 11, 12, 13, 14, 15, 16, 17, 20, 23, 26, 27, 28, 35, 36, 37, 42, 43, 44, 45, 46, 58, 59, 60, 61, 68, 69, 82, 84, 97, 98, 108, 114, and 115.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 8, 9, 31, 32, 40, 41, 48, 50, 51, 52, 53, 54, 55, 56, 57, 62, 63, 64, 65, 67, 71, 73, 74, 75, 77, 78, 79, 80, 85, 86, 99, 100, 101, 102, 103, 104, 105, 106, 107, 109, 110, 111, 112, and 113, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken by the Senate amendment and insert in lieu thereof the following: "the unemployment compensation benefits," and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment, insert the matter proposed to be inserted by the Senate amendment, and on page 5, line 24, of the House engrossed bill strike out "1" and in lieu thereof insert "20"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment and insert in lieu thereof the following: "Notwithstanding the foregoing provisions of this section, an eligible veteran may not pursue a program of education or training at an educational institution or training establishment which is not located in a State, unless such program is pursued at an approved educational institution of higher learning. The Administrator in his discretion may deny or discontinue the enrollment under this title of any veteran in a foreign educational institution if he finds that such enrollment is not for the best interest of the veteran or the Government." And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment and on page 10, line 3, of the House engrossed bill, after the word "veteran" insert "(except an eligible veteran whose program has been interrupted or discontinued due to his own misconduct, his own neglect, or his own lack of application)"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "eighty-five per centum"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$135"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "dependent, or at the rate of $160 per month, if he has more than one dependent"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$100"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following "dependent, or at the rate of $120 per month, if he has more than one dependent"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the matter proposerd to be inserted by the Senate amendment insert the following: "$60"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as folows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "dependent, or at the rate of $80 per month, if he has more than one dependent"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following "$110"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "dependent, or (3) $130 per month, if he has more than one dependent"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 17, lines 22 and 23, of the House engrossed bill strike out "(1) $225 per month, if he has no dependent, or (2)"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 17, lines 23 and 24, of the House engrossed bill strike out "per month, if he has one" and in lieu thereof insert" $310 per month"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "$110"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "dependent, or (3) $130 per month, if he has more than one dependent"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: ": *Provided*, That the Administrator shall not define full-time apprenctice training for a particular establishment other than that established as the standard work-week through bona fide collective bargaining between employers and employees"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment, and on page 22, line 12, of the House engrossed bill, strike

Speech in the House by Rep. Multer stating that the defense production bill was not good but was better than having no controls at all (pp. A4454-5).

51. APPROPRIATION INVESTIGATIONS. Extension of remarks of Rep. Bates discussing his proposed bill to amend the Legislative Reorganization Act of 1946 so as to provide the Armed Services and Appropriations Committees with staffs adequate to keep them fully informed (p. 4455).

52. FARM PROGRAM. Extension of remarks of Rep. Hill discussing the principle of "parity," outlining the history of some of the basic agricultural laws, and commending USDA programs for aid to the farmer (pp. A4458-9).

53. RETIREMENT. Speech in the House by Rep. McDonough favoring an increase in pensions for retired Federal employees (p. A4458).

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54. DEFENSE APPROPRIATION BILL, 1953. Agreed to the conference report on this bill, H. R. 7391 (pp. 9517, 9482-97). The conferees agreed to add cotton and reprocessed and reused wool to the provision governing procurement of food and clothing not produced in the U. S.

55. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL, 1953. Agreed to the conference report on this bill, H. R. 7289 (pp. 9517, 9498-504). The conferees agreed on a provision that no appropriation may be used for U. S. membership in the International Materials Conference but explained that this does not preclude the State Department from observing the activities as a non-member; fixed the census of agriculture item at $120,700 (House figure, $125,000; Senate, $116,382); and agreed to $5,750,000 (House figure; Senate, $5,504,300) for export control, Commerce Department.

56. PERSONNEL RETIREMENT. Received the conference report on S. 2968, to increase the annuities of certain retired Federal employees (pp. 9511-12, 9517).

57. RURAL HOUSING. By a 295-22 vote, agreed to the conference report on S. 3066, to amend the housing laws. One provision of this bill extends the rural-housing program, administered by this Department, for 1 year. (pp. 9450-53.) This bill will now be sent to the President.

58. SUPPLEMENTAL APPROPRIATION BILL, 1953. House conferees were appointed on this bill, H. R. 8370 (p. 9451). Senate conferees were appointed July 3.

59. WITHHOLDING PAY. Vacated proceedings of passage on July 3 of S. 1999, providing for the withholding of pay from Federal employees for State and local income-tax purposes, and again passed the bill with a correcting amendment that provided new language (pp. 9447-8).

60. PROPERTY; ADMINISTRATIVE SERVICES. Agreed to the Senate amendments to H. R. 5350, to amend the Federal Property and Administrative Services Act of 1949 (pp. 9464-5). For provisions see item 28. This bill will now be sent to the President.

61. SCHOOL LUNCH PROGRAM. Agreed to the Senate amendments to H. R. 1732, to increase the allotments for school lunches to Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands (p. 9465). This bill will now be sent to the President.

62. RECLAMATION. Agreed to a Senate amendment to H. R. 6163, providing the basis

for authorization of a study and report of irrigation works in connection with Chief Joseph Dam, and to provide for financial assistance thereto from power revenues (p. 9506). This bill will now be sent to the President.

63. VETERANS' PREFERENCE. Agreed to a Senate amendment to H. R. 7721, extending the Veterans' Preference Act of 1944 to persons serving in the armed forces after World War II and prior to July 2, 1955 (p. 9507). This bill will now be sent to the President.

64. CENSUS. Agreed to a Senate amendment to H. R. 7202, to provide that a census of agriculture be taken in Oct. 1954 and the same month in each tenth year thereafter (p. 9507). This bill will now be sent to the President.

65. PERSONNEL. Agreed to the Senate amendments to H. R. 7806, to authorize participation by certain Federal employees, without loss of pay or deduction from annual leave, in funerals for deceased members of the armed forces returned from abroad for burial (p. 9507). This bill will now be sent to the President.

66. FOREIGN TRADE. Agreed to a Senate amendment to H. R. 6845, to continue until June 30, 1953, the suspension of duties and import taxes on metal scrap, etc. (p. 9508). This bill will now be sent to the President.

67. PATENTS. Agreed to a Senate amendment to H. R. 7794, to revise and codify the laws relating to patents (p. 9508). This bill will now be sent to the President.

68. EDUCATION. Passed as reported H. R. 7494, to encourage the development and growth of the educational fine arts in State and land-grant colleges and other non-profit schools and organizations (p. 9466).

69. WATER COMPACT. Agreed to the Senate amendments to H. R. 2470, granting consent for an interstate compact regarding Columbia River waters (p. 9468). This bill will now be sent to the President.

70. PERSONNEL; PATENTS. Agreed to a Senate amendment to H. R. 3975, permitting a Government employee, and his joint patentee, not in government service, who make an invention completely outside of official functions, to maintain a suit against the Government (pp. 9510-11). This bill will now be sent to the President.

71. TRANSPORTATION. Passed with amendment S. 3161, to provide for filing of equipment trust agreements on railroad equipment (p. 9511).

72. FLAMMABLE MATERIALS. The Interstate and Commerce Committee ordered reported (but did not actually report) S. 2918, to prohibit movement in interstate commerce of highly flammable wearing apparel and fabrics (p. D706).

73. MISSOURI BASIN. Received from this Department a supplemental report on the Missouri Basin Agricultural Program (H. Doc. 530)(p. 9516).

74. SOCIAL SECURITY. Extension of remarks of Rep. Garmatz supporting H. R. 7800, to increase retirement benefits under the Social Security Act (pp. 9504-5).

75. WEATHER CONTROL. Received the fourth interim report by the Chief of the Weather Bureau on the study of causes and characteristics of thunderstorms; to Interstate and Foreign Commerce Committee (pp. 9516-7).

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

MILITARY AND NAVAL CONSTRUCTION

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8120) to authorize certain construction at military and naval installations, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, BROOKS, DURHAM, SHORT, and ARENDS.

COPYRIGHTS

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to recommit the bill (H. R. 3589) amending title 17 of the United States Code with reference to copyrights to the committee of conference, together with the committee report thereon, for the purpose of making certain corrections.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

FIRST IRON WORKS IN AMERICA

(Mr. GOODWIN asked and was given permission to extend his remarks at this point in the RECORD).

Mr. GOODWIN. Mr. Speaker, I am requesting the Postmaster General to cause to be issued a special postage stamp commemorative of the establishment of the first iron works in America in the town of Saugus, Mass., in 1643. This is responsive to action taken by the Board of Selectmen of Saugus. A little later I shall present for the CONGRESSIONAL RECORD some informative material and data regarding this event which is one of the very earliest and most significant landmarks in the industrial history of the Republic.

SENIOR CITIZENS

(Mr. HAND asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HAND. Mr. Speaker, it is likely that younger people often fail to realize it, but one of the very real and pressing problems of today is the problem of our senior citizens. I use that term advisedly, because I cannot bring myself to refer to many of my friends 65, 70, 75, and older as aged. That just does not fit the physical and mental vigor enjoyed by most of them. Indeed, the problem itself arises from the modern circumstance that people are living far longer, and are much healthier, than at the turn of the century. A generation ago, the average man or woman was worn out at 55; today that age group can generally expect 15 to 20 years of useful life—and there are millions more of them.

What are we going to do with them, about them, for them—more, what are we going to do to let them help us?

Let us glance briefly at both the cause and effect of such a markedly changed society.

The cause: Medical science has virtually conquered the familiar epidemics of the past; improved sanitation and diet, generally superior living conditions, advanced surgical techniques, and now the "wonder drugs" have given the new generation a life expectancy of 20 to 30 years more than our ancestors enjoyed.

What is the result? There are millions more of the so-called aged living among us today—most living in health, but many neither in comfort nor in happiness.

Three years ago, when the Hoover Commission made its report on social security, nearly 11,000,000 men and women in this country were over 65. It is estimated 40 years hence, their number will be 21,500,000, over 13 percent of the calculated population.

This great change among us presents a variety of social problems. For the sake of their happiness, and for the practical good of our whole society, means must be improved to protect their health and comfort, provide them with opportunities to live usefully and provide them reasonable security.

Medical science dealing with the health and comfort of our elders is making rapid strides. It will continue to improve and must be encouraged. But it is not enough merely to live free of pain and disease. Man should live in the present consciousness that he is of some use to his family, his fellow men, and himself, and with confidence that his future will at least be free from real want.

Here, two major obstacles confront us; one is the traditional reluctance of employers to hire older workers; the second, inadequacies in our social-security system.

The House has recently passed a bill which increased social-security pensions by $5 per month or 12½ percent, whichever is greater. The bill also provided an increase in the so-called work clause to $70 per month. I supported this bill, inadequate as it was, because there was no better bill then before us. But the final bill has been bettered by Senate action.

An important provision is that social-security payments will stop in the event of total disability, thus bringing this Federal insurance in line with private insurance programs.

What is needed, however, is not a piecemeal amendment of this character, but a totally new concept of problems arising from a great increase in our older population—better opportunities, improved health, and real security.

It is toward this goal that my bill—directing the Ways and Means Committee to study our security system to the end that it may be completely revised—is aimed. I hope this whole subject will get thorough attention in the next Congress.

Let us have a declaration of independence for our elders.

SPECIAL ORDER GRANTED

Mr. BENNETT of Michigan asked and was given permission to address the House today for 15 minutes, following the legislative business of the day and any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. AUCHINCLOSS. Mr. Speaker, on yesterday I received permission to extend my remarks and include an article. I am advised it will exceed the allowed amount and will cost $189. Notwithstanding the additional cost, I ask unanimous consent to insert the article.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. MILLER of Nebraska. Mr. Speaker, on yesterday I received permission to extend my remarks in the RECORD but they did not appear. I ask permission again today that I may extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House sine die, I may be permitted to revise and extend my remarks on several subjects in the Appendix of the RECORD, and to insert extraneous material and excerpts therefrom on various subjects.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

COMMITTEE ON GOVERNMENT OPERATIONS

Mr. McCORMACK. Mr. Speaker, I offer a privileged resolution (H. Res. 735) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That those Members of the House elected to the Committee on Expenditures in the Executive Departments are hereby elected to the Committee on Government Operations, and all records and papers of the Committee on Expenditures in the Executive Departments are hereby transferred to the Committee on Government Operations.

That all bills, resolutions, communications, papers, documents, petitions, and memorials heretofore referred to the Committee on Expenditures in the Executive Departments are hereby referred to the Committee on Government Operations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUSING ACT OF 1952

The SPEAKER. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to call up a conference report. The Chair will dispose of conference reports, then we will take up matters of concurring in Senate amendments to House bills; and the Chair puts it in that order because these conference reports may have to go to the other body.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Do we understand that we are to proceed with the matter of conference reports ahead of the private calendar?

The SPEAKER. The Chair thinks that would be the expeditious thing to do, because most of these bills are Senate bills on the private calendar. I understand this conference report is entirely noncontroversial.

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill S. 3066, to amend defense housing laws, and for other purposes.

The Clerk read the title of the bill.

Mr. MULTER. Mr. Speaker, I desire to raise a point of order against this conference report.

The conference report is not in order because the conferees on the part of the House have added to this bill a provision, section 12, as now reported by the conferees, which is not in order in that it amends the Home Owners' Loan Act, which is a different act than that covered by S. 3066 as reported to and passed by the House which sought to amend the National Housing Act and not the Home Owners Loan Act. I therefore make the point of order that the conference report is out of order.

The SPEAKER. The Chair does not understand how the point of order would lie, because it certainly was a matter that was in conference.

Mr. MULTER. The bill as it came to the House, reported by the Committee on Banking and Currency, did not contain section 12; had it contained section 12 it would have been subject to a point of order in that it attempted to amend a law other than the Housing Act which was the law sought to be amended by the bill as reported by the committee. Had it come to the floor it would have been subject to a point of order. We passed that bill without section 12, but it now comes back from conference containing section 12.

Mr. SPENCE. Mr. Speaker, the amendment about which the gentleman complains was in the Senate bill and was struck out by an amendment to the bill when it came to the House. This amounts to language that was originally in the Senate bill being reinstated.

Mr. MULTER. Mr. Speaker, the distinguished chairman is in error. The Committee on Banking and Currency considered the bill as sent to us by the Senate and that committee struck out section 12. The bill came to the floor without section 12 and was passed without section 12. It appears, so far as the House itself is concerned, without section 12. It now comes back from the conference containing section 12.

The SPEAKER. The Chair is ready to rule. The conference report makes this statement:

> That the House recede from its amendment No. 1.
>
> That the Senate recede from its disagreement to the amendment of the House numbered 2.

The Chair does not see where a point of order could lie against a conference report when the matter agreed upon was in either the Senate or the House bill. Because the House struck out language of the Senate bill and the conferees reinstated the provision certainly would not amount to the conferees exceeding their authority.

The Chair overrules the point of order.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 3, 1952.)

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. MULTER].

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Speaker, this bill as reported to the House originally had stricken from it section 12 which is now back in the bill as a result of the conferees' action. Section 12 has nothing to do with Fanny May money, it has nothing to do with FHA money and it should not be in this bill. If it had come to the floor originally I am sure there would have been many Members opposed to it. Section 12 attempts to change the Home Owners' Loan Act by inserting a provision permitting Federal loan and savings associations to buy mortgages anywhere in the country no matter where the associations themselves may be located and to an unlimited amount. At the present time there is a 15-percent limitation on the investment of funds outside of their own communities. They may not lend more than 15 percent or buy investments to more than 15 percent of their funds outside of a 50-mile area, which has recently been extended to a 100-mile area. Under existing law even such purchases require Home Loan Board approval.

By this amendment the loan and savings associations which are community associations for community purposes, made up of local people, will be permitted to take their entire funds and invest them by purchasing mortgages all over the country. They need not operate any longer within their own community if this provision of the bill should remain in it.

Therefore, Mr. Speaker, I will offer a motion to recommit to the committee of conference with instructions to the managers on the part of the House to insist upon the House amendment striking out section 12 of the Senate bill. If this matter is such that it should be passed by the House, then I say it should have a separate hearing, a separate bill, and the entire matter should be brought up when all sides can be heard.

In the 33-page statement that was sent to the Committee on Banking and Currency by the Housing and Home Finance Administrator in support of the bill, S. 3066, the only reference you will find to this section 12 are three sentences merely telling what the provision will do—no recommendation, no approval, no word as to why it should be done.

I have in front of me a statement by the chairman of the legislative committee and the vice chairman of the legislative committee of the United States Savings and Loan League strongly urging opposition to section 12. I think the Members will agree with me that the savings and loan associations should be what they were intended to be, local community projects, run by local people. If they are to be mortgage banks with Nation-wide jurisdiction then let us rewrite the law.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

WHAT JULY THE FOURTH MEANS TO ME

Mr. DEANE. Mr. Speaker, on this great day so compelling in the life and history of our Nation, the message that I would convey to my constituents would be:

America is in the middle of a new age. Most of us are still thinking in terms of the Industrial age where giant machines, giant factories, and great wealth were the deciding factors. But 25 years ago there were those who saw that the future of the world would be decided by men with the most compelling ideas—ideas that could capture and hold the loyalties of men. In 1926 a friend of mine went to Moscow. There he was shown a group of ragged young Chinese being trained in the ideas of communism at the Sun Yat Sen University. He was told: "These young men don't look like much today, but in 20 years they will be running China." The group included the men who are governing Red China today. Unless we recognize the existence of this world war of ideas, we shall fail to prepare our young men to meet the challenge of this age.

Democracy's answer to this threat is the basic moral ideology that was set forth by our founding fathers. It is the absolute moral standards which distinguish democracy from totalitarianism, and provide the inner discipline we need and the inner liberty we desire. They are the real safeguards of our freedom.

Mr. Speaker, I especially direct this thought to our military planners. It seems to me that America has been relying on a three-dimension defense, namely, political, economic, and military, to meet the U. S. S. R.'s four-dimensional threat. In addition to building strength on these three fronts, the So-

viets have become experts in ideological warfare, the battle to capture the hearts and minds of men. Foreign Minister Vishinsky declared at a Soviet rally in East Berlin, "We shall win the next war not with atom bombs but with our superior brains, ideas, and doctrines."

Today we must not only have a gun in our hand, but a right moral idea in our head, and an answer in our heart.

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am unable to understand why the able gentleman from New York assumes the position he does on this conference report. In this bill we have given to the Federal National Mortgage Association the authority to purchase $900,000,000 of defense mortgages, and it also releases at the same time $360,000,000 of conventional mortgages. This is a benevolent intrusion by the Government into private enterprise.

Here we have an amendment that will allow savings and loan associations, which are about as American as the American Flag or the Declaration of Independence, to buy certain mortgages. These are splendid institutions.

They can now purchase GI insured mortgages anywhere in the United States. This gives the savings and loan associations the authority to purchase FHA mortgages beyond the 50-mile limit. It lessens the pressure on the Treasury. There is nothing mandatory in the act. It merely gives them the permission to do so. It will more evenly spread the funds available for the construction of homes where there has been a lack of funds in one section and an abundance in another. There certainly is no argument that could be made against it. I think the gentleman is afraid that it might syphon some funds from the great financial center of the Nation and of the world into the rural areas. I do not believe it will do that. I do not think he need have any apprehension. It is an entirely meritorious section, and if you attempt to strike it out you will jeopardize this bill that is so generally asked for by the construction trades in the United States.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. MULTER. Our distinguished chairman who now stands in the well, I know, is sincere in what he says. I know that there are very few Members in this House who have had as much experience with savings and loan associations as he has. He has done a splendid job in fostering and sponsoring them, particularly in his home district; not only legislation involving his own district, but the Nation as a whole. I dislike very much to take a position in opposition to him, but I want to assure him that we have no fear that this will siphon off any money to the rural areas. But I say if you want these savings and loan associations to go into your area, then let them take their money and organize associations for that purpose in your area. They ought to do like the United States Savings and Loan League says they should do; they are organized in the local communities, intended to operate in the local communities, and I think that is what they ought to do.

Mr. SPENCE. In answer to the gentleman I want to say this: I would not be in favor of savings and loan associations initiating loans beyond the 50-mile limit. The Savings and Loan Association acts as quasi-guardian for those who borrow from it. They see that the money goes into the home, that the contractor is paid, and that the subcontractor is paid, that the material men and the laborers are paid, so there will be no liens upon the property. They see that the construction is done properly. I would not have them initiate a loan beyond the 50-mile limit; I do not think it would be desirable for them to go that far. But, they initiate no loan here; they are merely authorized to buy securities that are insured by the national Government. They now have the authority to buy GI loans, and this only gives them the authority to buy FHA loans which are already made beyond the 50-mile limit. If you give the authority to the national Government, and that is what we did when we authorized the Federal National Mortgage Association to purchase $900,000,000 of mortgages, how could you reconcile this with your refusal to grant this small power to the savings and loan associations and contend you are in favor of private enterprise.

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered, and the following Members failed to answer to their names:

[Roll No. 143]

Abernethy	Gamble	Morton
Allen, La.	George	Moulder
Anderson, Calif.	Hall, Edwin Arthur	Murray
Anfuso	Harden	Nelson
Bailey	Havenner	O'Brien, N. Y.
Bates, Ky.	Hébert	O'Hara
Beall	Heller	Patten
Beckworth	Herter	Poage
Bender	Heselton	Potter
Bentsen	Hillings	Powell
Blackney	Hoffman, Ill.	Redden
Boggs, Del.	Hope	Reece, Tenn.
Boykin	Javits	Regan
Brehm	Johnson	Richards
Brown, Ohio	Jonas	Rivers
Brownson	Judd	Robeson
Buckley	Kearney	Roosevelt
Buffett	Kennedy	Sabath
Burdick	Kersten, Wis.	St. George
Butler	Kilburn	Scott, Hugh D. Jr.
Camp	King, Pa.	Sheehan
Carlyle	Klein	Shelley
Cole, N. Y.	Kluczynski	Short
Combs	Larcade	Sikes
Coudert	Latham	Stigler
Curtis, Mo.	Lesinski	Sutton
Curtis, Nebr.	Lyle	Tackett
Davis, Tenn.	McConnell	Taylor
Dingell	McGregor	Thompson, Tex.
Dolliver	McKinnon	Watts
Elston	Martin, Mass.	Welch
Evins	Miller, N. Y.	Wickersham
Fenton	Mitchell	Willis
Fisher	Morano	Wilson, Tex.
Forrester	Morris	Wolcott
Fugate	Morrison	Woodruff
Furcolo		

The SPEAKER. Three hundred and nineteen Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FURTHER MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Landis, its clerk, announced that the Senate requests the House of Representatives to return to the Senate the bill (H. R. 5248) to suspend certain import duties on tungsten, with the accompanying papers.

SUPPLEMENTAL APPROPRIATION BILL, 1953

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8370) making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes, with Senate amendments, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri. [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON, MAHON, THOMAS, KIRWAN, WHITTEN, GARY, TABER, WIGGLESWORTH, and SCRIVNER.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to include on that list the gentleman from Wisconsin [Mr. DAVIS].

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HOUSING ACT OF 1952

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD on the retirement of our colleague [Mr. McKINNON] of California, and I also ask unanimous consent that all Members may have five legislative days in which to extend their remarks at this point in the RECORD on the same subject.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHEPPARD. Mr. Speaker, it is with regret that I announce, as dean of the California delegation, that one of our distinguished Members, CLINTON McKINNON, will be leaving the House at the end of this Congress.

He was first elected to the House of Representatives for the Eighty-first Congress and represented the Thirtieth Congressional District of California, composed of San Diego city and county.

Since being in the House, MAC has distinguished himself in many ways. In the first place, he comes from one of California's largest populated districts—a community that has undergone ex-

treme impact from World War II and from the Korean build-up. Naturally, that community has many problems and I have had an opportunity to watch MAC handle the multitudinous complications that have come to him from his district. Few Members in my memory have matched the legislative record that this gentleman has performed in getting special bills through for his district and in working with the agencies downtown for the solution of administrative matters.

Water has been one of the major problems of San Diego and MAC has responded with legislation that authorized and financed the construction of a second barrel to an aqueduct that brings Colorado River several hundred miles into his district. Thanks to his good work in Washington, San Diego's water problems are now settled.

The Fallbrook case, which has received national publicity and which involves an equitable division of waters in the Santa Margarita River between the farmers of his district and the huge Marine base, Camp Pendleton, was another problem that came to his office, and he was the author of the well-known Falbrook "Independence" bill that passed the House some months ago and which the other body is now considering.

The scarcity of water in his district prompted him to coauthor another well-known bill, the sea-water bill, which authorizes the Secretary of the Interior to coordinate research activity to bring about commercial development of fresh water from ocean water. This bill also received favorable action by the Congress and is now awaiting the President's signature. The effects of this bill offer untold promise, not only for the citizens of this great country, but for the people of the entire world.

Transportation has been another problem of the San Diego area, and Mr. MCKINNON's Laguna tunnel bill, which authorizes the Corps of Engineers to determine the engineering feasibility and economic practicability of a highway and railway tunnel—to be the longest tunnel anywhere in the world—is another page in the legislative record of our good friend from California.

In addition to these bills which MAC authored and pushed through the Congress, he has also been successful in securing Federal prior commitment financing for 9,500 units of privately constructed war housing to take care of the pressing needs for housing. Schools, too, have been an urgent factor, and my colleague was successful in securing allocations of steel for the construction of all needed school buildings in his district.

But while my good friend and member of the California delegation was doing exceptional service for his district, he did not neglect the national and international problems that face this body. As a member of the Banking and Currency Committee, the Select Committee on Small Business, and the Joint Committee on the Economic Report, he has been a faithful worker and a man who readily accepted the responsibilities this body imposes upon a Member. If the McKinnon amendment to the original Defense Production Act had been adopted in 1950, the cost of living would be considerably less today and our Government would have saved many billions of dollars in its defense efforts.

While our delegation deeply respects the ability and hard work our colleague has displayed as a Member of the House, the Representatives from California like him even better for his integrity and friendship. He is a man of his word, a loyal friend, and a man never too busy to help another Member.

We Californians realize all too well that we impose our many problems upon this House more frequently than our numbers would indicate, and we are deeply appreciative of your kindly toleration and cooperation. Nonetheless, we are proud of the caliber of our membership, from both the Democratic and Republican side of the aisle. We think our delegation is composed of high caliber men, and the gentleman from San Diego is a good example of what I mean. We are going to miss CLINT MCKINNON from our California delegation and we hate to lose him, and I feel that his good work will be misssed by the entire House.

As the dean of the California delegation, I want to express the appreciation we all feel for MAC and to extend our sincere good wishes for continued success in whatever fields he goes into as he leaves this body.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Speaker, the issue today with reference to the conference report raised by the gentleman from New York [Mr. MULTER] strikes me rather favorably. First, I agree with the gentleman from New York that more extended hearings on this particular amendment should have been had, and, secondly, if the amendment would provide and permit savings and loan associations to purchase and invest all of their assets in mortgages all over the country, and none of them locally, I would certainly disagree with the amendment.

It is true that this amendment provides savings and loan associations can purchase mortgages beyond a distance of 50 miles from home. I agree that savings and loan associations are organized and are operated as local institutions with local money to help local people build homes in a particular community; but it does occur to me that accasionally these savings and loan associations find their portfolios in such condition that they are not able to lend money to build homes in the community because they are unable to obtain the money locally. This will permit them under those circumstances to go beyond the present limitation and buy mortgages at a distance greater than 50 miles. I am therefore inclined to believe that the House should accept this amendment at the present time. If, in the future, we find the authority is abused, Congress can correct that situation by such limiting legislation as may be necessary.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Speaker, I believe at this late hour we are trying to get legislation through the Congress with every bit of reasonable logic we can apply we should not under the circumstances take a lot of time debating a question of this kind. This is a good conference report which has been given serious and careful consideration by the conferees. I cannot agree with the amendment proposed by the gentleman from New York [Mr. MULTER] and I think in the interest of providing more very much needed housing, his amendment should be defeated.

This conference report is not going to do a bit of harm to anyone, and it is going to do a lot of good to a lot of people. The original Home Loan Act of 1933 provided that these savings and loan associations could not operate outside of the 50-mile limit. Now this does not change that, except in one instance, and that is that they may purchase FHA-insured mortgages outside of their 50-mile limit but they cannot originate loans outside of their 50-mile limit. All they may do is purchase such mortgages. In my opinion it will facilitate the mortgage market to a degree that will provide housing for many, many people that would not otherwise obtain it. It will give the FHA insured mortgage market an opportunity to operate across the Nation. The amendment makes it permissive and not mandatory. I certainly think that we ought to agree to the conference report and expeditiously dispose of this piece of legislation.

Mr. SPENCE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

Mr. MULTER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The Chair will state to the gentleman from New York that a motion to recommit is not in order, the Senate having acted on the conference report.

Mr. MULTER. Mr. Speaker, if they did, they acted improperly, because this should have been acted on in the House first.

The SPEAKER. The Chair is not aware that the Senate has acted improperly. We have received a message that they agreed to the conference report.

The question is on the conference report.

The question was taken.

Mr. MCGUIRE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 295, nays 22, not voting 113, as follows:

[Roll No. 144]

YEAS—295

Aandahl
Abbitt
Adair
Addonizio
Albert
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Anderson, Calif.
Andresen, August H.
Andrews
Angell
Arends
Armstrong
Aspinall
Auchincloss
Ayres
Baker
Bakewell
Barden
Baring
Barrett
Bates, Mass.
Battle
Beamer
Belcher
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Blatnik
Boggs, La.
Bolling
Bonner
Bosone
Bow
Bramblett
Bray
Brooks
Brown, Ga.
Bryson
Buchanan
Burleson
Burnside
Burton
Busbey
Bush
Byrnes
Camp
Canfield
Cannon
Carnahan
Carrigg
Case
Celler
Chatham
Chelf
Chenoweth
Chiperfield
Chudoff
Church
Clemente
Cole, Kans.
Colmer
Cooley
Corbett
Cotton
Cox
Crosser
Crumpacker
Cunningham
Dague
Davis, Ga.
Davis, Wis.
Deane
DeGraffenried
Delaney
Dempsey
Denny
Denton
Devereux
D'Ewart
Dondero
Donohue
Dorn
Doughton
Doyle
Durham
Eaton
Eberharter
Elliott
Ellsworth
Engle
Fallon
Feighan
Fernandez
Flood
Fogarty
Forand
Ford
Frazier
Fulton
Garmatz
Gary
Gathings
Gavin
Golden
Goodwin
Gordon
Gore
Graham
Granahan
Granger
Grant
Green
Greenwood
Gregory
Gross
Gwinn
Hagen
Hale
Hall, Leonard W.
Halleck
Hand
Hardy
Harris
Harrison, Nebr.
Harrison, Va.
Harrison, Wyo.
Harvey
Havenner
Hays, Ark.
Hays, Ohio
Hedrick
Herlong
Hess
Hill
Hinshaw
Hoeven
Holmes
Horan
Howell
Hull
Hunter
Ikard
Irving
Jackson, Calif.
Jackson, Wash.
James
Jarman
Jenkins
Jensen
Jones, Ala.
Jones, Mo.
Jones, Hamilton C.
Jones, Woodrow W.
Karsten, Mo.
Kean
Kearns
Keating
Kee
Kelley, Pa.
Kerr
Kersten, Wis.
Kilday
King, Calif.
Kirwan
Lanham
Lantaff
LeCompte
Lind
Lovre
Lucas
McCarthy
McCormack
McCulloch
McDonough
McGuire
McIntire
McMillan
McMullen
McVey
Machrowicz
Mack, Ill.
Mack, Wash.
Madden
Magee
Marshall
Martin, Iowa
Meader
Merrow
Miller, Calif.
Miller, Md.
Miller, Nebr.
Mills
Morgan
Mumma
Murdock
Murphy
Murray
Nicholson
Norblad
Norrell
O'Brien, Ill.
O'Brien, Mich.
O'Konski
O'Neill
Osmers
Ostertag
Passman
Patten
Patterson
Perkins
Philbin
Polk
Poulson
Preston
Priest
Prouty
Rabaut
Radwan
Rains
Ramsay
Rankin
Reams
Reed, Ill.
Rees, Kans.
Rhodes
Ribicoff
Riehlman
Riley
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Ross
Sadlak
Sasscer
Schenck
Scott, Hardie
Scrivner
Scudder
Secrest
Seely-Brown
Shafer
Sheppard
Sieminski
Simpson, Ill.
Sittler
Smith, Kans.
Smith, Miss.
Smith, Va.
Spence
Springer
Staggers
Stanley
Steed
Stockman
Taber
Talle
Teague
Thomas
Thompson, Mich.
Thornberry
Tollefson
Trimble
Vail
Van Pelt
Van Zandt
Velde
Vinson
Vorys
Vursell
Walter
Weichel
Wharton
Wheeler
Whitten
Widnall
Wier
Wigglesworth
Williams, Miss.
Williams, N. Y.
Wilson, Ind.
Wilson, Tex.
Winstead
Withrow
Wolverton
Wood, Ga.
Wood, Idaho
Yates
Yorty
Zablocki

NAYS—22

Bishop
Budge
Clevenger
Crawford
Dollinger
Donovan
Fine
Heffernan
Hoffman, Mich.
Jenison
Kelly, N. Y.
Lane
McGrath
Mason
Multer
O'Toole
Reed, N. Y.
Rooney
Saylor
Simpson, Pa.
Smith, Wis.
Werdel

NOT VOTING—113

Abernethy
Allen, La.
Anfuso
Bailey
Bates, Ky.
Beall
Beckworth
Bender
Bentsen
Blackney
Boggs, Del.
Bolton
Boykin
Brehm
Brown, Ohio
Brownson
Buckley
Buffett
Burdick
Butler
Carlyle
Cole, N. Y.
Combs
Cooper
Coudert
Curtis, Mo.
Curtis, Nebr.
Davis, Tenn.
Dawson
Dingell
Dolliver
Elston
Evins
Fenton
Fisher
Forrester
Fugate
Furcolo
Gamble
George
Hall, Edwin Arthur
Harden
Hart
Hébert
Heller
Herter
Heselton
Hillings
Hoffman, Ill.
Holifield
Hope
Javits
Johnson
Jonas
Judd
Kearney
Kennedy
Keogh
Kilburn
King, Pa.
Klein
Kluczynski
Larcade
Latham
Lesinski
Lyle
McConnell
McGregor
McKinnon
Mahon
Mansfield
Martin, Mass.
Miller, N. Y.
Mitchell
Morano
Morris
Morrison
Morton
Moulder
Nelson
O'Brien, N. Y.
O'Hara
Patman
Phillips
Poage
Potter
Powell
Price
Redden
Reece, Tenn.
Regan
Richards
Rivers
Robeson
Roosevelt
Sabath
St. George
Scott, Hugh D., Jr.
Sheehan
Shelley
Short
Sikes
Stigler
Sutton
Tackett
Taylor
Thompson, Tex.
Watts
Welch
Wickersham
Willis
Wolcott
Woodruff

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Price with Mr. Brown of Ohio.
Mr. Mitchell with Mr. Cole of New York.
Mr. Hébert with Mr. Kearney.
Mr. Morrison with Mr. Wolcott.
Mr. Keogh with Mr. McConnell.
Mr. Klein with Mr. Coudert.
Mr. Heller with Mr. Woodruff.
Mr. Buckley with Mr. McGregor.
Mr. Wickersham with Mr. Beall.
Mr. Abernethy with Mr. Kilburn.
Mr. Powell with Mr. Elston.
Mr. Sabath with Mr. Bender.
Mr. Moulder with Mr. Herter.
Mr. Bates of Kentucky with Mr. Short.
Mr. Evins with Mr. Taylor.
Mr. Cooper with Mr. Heselton.
Mr. Roosevelt with Mr. Sheehan.
Mr. Dingell with Mr. Hilling.
Mr. Morris with Mr. Judd.
Mr. Larcade with Mr. Latham.
Mr. Welch with Hugh D. Scott, Jr.
Mr. Redden with Mr. Fenton.
Mr. Robeson with Mr. Gamble.
Mr. Bentsen with Mr. Butler.
Mr. Bailey with Mr. Burdick.
Mr. Anfuso with Mr. Boggs of Delaware.
Mr. Kennedy with Mrs. Bolton.
Mr. Sikes with Mr. King of Pennsylvania.
Mr. Shelley with Mrs. St. George.
Mr. Watts with Mr. Reece of Tennessee.
Mr. Willis with Mr. Potter.
Mr. Mansfield with Mr. O'Hara.
Mr. Patman with Mr. Morton.
Mr. Furcolo with Mr. Morano.
Mr. Fugate with Mrs. Harden.
Mr. Boykin with Mr. Edwin Arthur Hall.
Mr. Holifield with Mr. Miller of New York.
Mr. Rivers with Mr. Blackney.
Mr. Lyle with Mr. Nelson.
Mr. McKinnon with Mr. Phillips.
Mr. Lesinski with Mr. Jonas.
Mr. Kluczynski with Mr. Buffett.
Mr. Allen of Louisiana with Mr. Curtis of Nebraska.
Mr. Davis of Tennessee with Mr. Curtis of Missouri.
Mr. Dawson with Mr. Doliver.
Mr. O'Brien of New York with Mr. George.

Mr. VAN ZANDT and Mr. ARENDS changed their vote from "nay" to "yea."

Mr. HOFFMAN of Michigan changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

SUSPENSION OF CERTAIN IMPORT DUTIES ON TUNGSTEN

The SPEAKER pro tempore (Mr. MILLS) laid before the House the following request from the Senate, which was read:

Ordered, That the House of Representatives be requested to return to the Senate the bill (H. R. 5248) to suspend certain import duties on tungsten, with the accompanying papers.

The SPEAKER pro tempore. Without objection, the request will be complied with.

There was no objection.

VETERANS' READJUSTMENT ASSISTANCE ACT OF 1952

Mr. RANKIN. Mr. Speaker, I call up the conference report on the bill (H. R. 7656) to provide vocational readjustment and to restore lost educational opportunities to certain persons who served in the Armed Forces on or after June 27, 1950, and prior to such date as shall be fixed by the President or the Congress, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 3, 1952.)

Mr. RANKIN (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. DEVEREUX. Mr. Speaker, reserving the right to object, will the gentleman explain the principal differences between the conference report and the bill as passed by the House.

Mr. RANKIN. That will be done by the gentleman from Texas.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and twenty Members are present, a quorum.

Mr. RANKIN. Mr. Speaker, this bill which we will shortly enact into law represents a tremendous amount of work on the part of the Congress, and particularly upon the part of the Committee on Veterans' Affairs. Weeks of hearings were held on this subject and weeks of work have gone into the final product.

In all I introduced seven bills on this subject and the bill which will be finally presented to the President closely resembles the bill, H. R. 7642, which I introduced some weeks ago.

I am particularly gratified that the entire education and training allowance is to go to these veterans whose good sense and initiative will be used in determining the type of education and training for which each one is best suited. With the enactment of this bill every benefit which was granted to World War II veterans by legislation emanating from the Committee on Veterans' Affairs will be provided the veterans of the Korean conflict.

Mr. Speaker, I yield 10 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like first of all to express my very deep regret that the gentleman from Maryland, General DEVEREUX, is leaving the Committee on Veterans' Affairs and going to the Committee on Armed Services. He has been a very valiant fighter on the committee for veterans' rights. He knows all of the laws pertaining to the soldiers, to the servicemen; he knows all the laws now pertaining to the veterans. I would like to state that he was in constant attendance. He never missed a subcommittee hearing and he never missed a full committee hearing, and he never missed a meeting on the floor of the House. You all know that General DEVEREUX was decorated for bravery during the war. Some times it takes bravery to speak on the floor, I know. General DEVEREUX is a great fighter.

Mr. Speaker, I think that this report in the main is an excellent report. There was some yielding and giving in while the measure was in conference. I personally would like to have had the Nixon amendment adopted which would have provided direct payments to private schools and institutions, but that was voted out; the conferees voted against it. I was extremely glad that an unemployment insurance compensation amendment was agreed to. It provides $26 a week for 26 weeks. I believe no Member of the House will be opposed to that. Our men in Korea, our fighting men, certainly are entitled to unemployment insurance. The working people of this country, at good wages and happy conditions, are entitled to unemployment compensation. You will recall my remarks in this House yesterday when I said that I did not see how any human being who voted to give unemployment insurance to people who work in factories and other places at good pay could refuse to give unemployment insurance to men who toil and sweat while facing death in Korea.

This feature of the measure was one of the bones of contention in the conference. I am glad to say that I stood by my support of it throughout the discussions, sometimes without much aid. However, I am very happy that this title IV remains in the bill. I believe that the report will be unanimously adopted.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Is this the report that contains the GI educational provisions?

Mrs. ROGERS of Massachusetts. Yes, as it passed the House. It provides more compensation for men with more than one dependent. The amount for the single man is the same.

Mr. AUGUST H. ANDRESEN. Can the gentlewoman advise the House as to the provision for GIs who want to go to private colleges? Was there any differentiation on that score?

Mrs. ROGERS of Massachusetts. No, they will pay the tuition themselves instead of having the Federal Government pay it directly to the colleges and schools. I wanted the provision known as the Nixon amendment, which was inserted in the Senate, but the conferees did not agree to it; so the money is paid directly to the men, $110 for a single man, $135 for a man with one dependent, and $160 for a man with more than one dependent. The conferees upped the amount carried in the original House bill.

Mr. AUGUST H. ANDRESEN. Then it is left to the discretion of the GI as to whether he wants to go to a public school, a State university, or a private college?

Mrs. ROGERS of Massachusetts. That is correct. He chooses the one he wants to go to. I thought it would be a little easier for him to go to a school of his choice if the money were paid directly to the private school or institution. I also thought it was a hedge against communism.

Mr. Speaker, I think this bill is a good one. It is long delayed. It is 2 years late. I am thankful that we have it now.

The Senate put a provision in the bill that a man could not have mustering-out pay and also a reenlistment allowance given to him. The conferees struck out all reference to reenlistment pay because we felt it did not belong in a measure of this kind. Mustering-out pay was payment for services rendered, not enough but some money, the same amount that was given to World War II veterans, reenlistment allowance is a bonus given for reentering the service. That was left out of the bill, as it should be.

Mr. RANKIN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. TEAGUE]

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Minnesota.

Mr. WIER. This sounds like the Teague bill. Is this the Teague bill?

Mr. TEAGUE. I will say to the gentleman from Minnesota that this bill is the result of work over the past 2 years by every educational group in this country, by the House select committee, by the Veterans' Affairs Committee, by the Senate committee, and the governmental agencies, such as the General Accounting Office and the VA. It is a bill that has had every consideration that any bill should have that passes the Congress.

Mr. Speaker, the gentleman from Maryland [Mr. DEVEREUX] asked concerning the differences between the bill in its present form and the form in which it passed the House. One of the major differences adopted by the Senate was the amendment suggested by the gentleman from Maryland [Mr. DEVEREUX] that the classification of veterans be separated for subsistence purposes into three dependency groups, the single veteran, the veteran with one dependent, and the veteran with more than one dependent.

Mr. Speaker, I wish to compliment the gentleman from Maryland for the steps he took to correct the bill, and I think his amendments have improved the bill.

The Senate raised the amount of the allowance for a veteran with more than one dependent.

Another difference between the bill approved by the conferees and as it passed the House is that as it passed the House the bill required 25 percent nonveterans in courses offered by profit schools. The Senate reduced that to 10 percent and the conferees agreed on 15 percent.

Another difference is that the Senate placed in the bill a provision to pay all schools something for the administrative burden this bill imposes on them. That amount was $1.50 per veteran. The conferees agreed to this change.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman refers to colleges. Just what kind of colleges does he mean?

Mr. TEAGUE. Well, in this case I refer to all schools.

Mr. AUGUST H. ANDRESEN. That is private and public?

Mr. TEAGUE. Yes, private and public.

Mr. AUGUST H. ANDRESEN. And they will be paid $1.50 per individual for administrative expenses?

Mr. TEAGUE. That is correct. From the study that has been made, this will probably be a little less than the actual cost to the schools for administrative cost incident to handling the veteran, but the allowance does pay for some of the administrative expense.

Mr. AUGUST H. ANDRESEN. That will not be paid directly to the GI?

Mr. TEAGUE. No, the payment will go directly to the school.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Public Law 531 - 82d Congress
Chapter 723 - 2d Session
S. 3066

AN ACT

To amend defense housing laws, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Housing Act of 1952". Housing Act of 1952.

SEC. 2. Section 217 of the National Housing Act, as amended, is hereby amended to read as follows: 65 Stat. 315. 12 U.S.C. § 1715h.

"SEC. 217. Notwithstanding limitations contained in any other section of this Act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time) and on the aggregate amount of contingent liabilities which may be outstanding at any one time under insurance contracts, or commitments to insure, pursuant to any section or title of this Act, any such aggregate amount shall, with respect to any section or title of this Act (except section 2), be prescribed by the President from time to time taking into consideration the needs of national defense and the effect of additional insurance authorizations upon conditions in the building industry and upon the national economy: *Provided*, That the dollar amount of the insurance authorization prescribed by the President at any time with respect to any provision of title VI shall not be greater than authorized by provisions of that title: *And provided further*, That, at any time, the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this Act, plus the aggregate dollar amount of all increases in insurance authorizations under other titles of this Act prescribed by the President pursuant to authority contained in this section, less the aggregate dollar amount of all decreases in insurance authorizations under this Act prescribed by the President pursuant to authority contained in this section shall not exceed $1,900,000,000: *And provided further*, That $400,000,000 of said sum shall be available only for the insurance of mortgages for which no insurance contract or commitment to insure under this Act was outstanding on June 30, 1952, and which mortgages (1) cover defense housing programed by the Housing and Home Finance Agency in an area determined by the President or his designee to be a critical defense housing area, or (2) are insured under title VIII of this Act, or (3) cover housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster.". General mortgage insurance authorization. 48 Stat. 1246. 12 U.S.C. § 1703. 55 Stat. 55. 12 U.S.C. §1736 et seq. 65 Stat. 295. 12 U.S.C. §§1750a-1750g. 66 Stat. 601. 66 Stat. 602. 63 Stat. 571. 12 U.S.C. §§ 1748-1748g-1.

SEC. 3. (a) Section 301 (a) (1) of said Act, as amended, is hereby amended— 48 Stat. 1252. 12 U.S.C. § 1716.

(1) by striking the words beginning with "insured after April 30, 1948" and ending with the colon at the end of the first proviso thereof and inserting the words: "insured under this Act, as amended, or insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended: *Provided*, That no such mortgage, except defense or disaster mortgages as defined in subparagraph (G) hereof, shall be purchased by the Association unless insured or guaranteed after February 29, 1952, or purchased pursuant to a commitment made by the Association:"; 58 Stat. 284. 38 U.S.C. § 693 note.

(2) by striking from subparagraph (E) "pursuant to authority contained herein, exceeds 50 per centum of the original principal amount of all mortgages made by such mortgagee" and inserting "after February 29, 1952, pursuant to authority contained herein, exceeds 50 per centum of the original principal amount of all mortgage loans made by such mortgagee that are insured or guaranteed after February 29, 1952";

(3) by striking the proviso in subparagraph (E) and inserting "*Provided*. That this clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G)"; and

(4) by striking from the proviso in subparagraph (G) "which do not exceed $252,000,000 outstanding at any one time, if applications for such commitments were received by the Association prior to December 28, 1951, or, in the case of title VIII mortgages, if the Federal Housing Commissioner issued his commitment to insure prior to December 31, 1951, but subsequent to December 27, 1951, and if such commitments of the Association relate to" and inserting "and prior to July 1, 1953, which do not exceed $1,152,000,000 outstanding at any one time, if such commitments of the Association relate to defense or disaster mortgages. As used in this title III, 'defense or disaster mortgages' means".

12 U.S.C. §1748-1748g-1.

(b) Section 302 of said Act, as amended, is hereby amended (1) by striking "$2,750,000,000" and inserting "$3,650,000,000"; and (2) by adding before the period at the end of the first sentence of said section ": *Provided*, That not more than $2,750,000,000 of such total amount outstanding at any one time shall relate to mortgages other than defense or disaster mortgages as defined in section 301 (a) (1) (G)".

12 U.S.C. §1717.

SEC. 4. Section 313 of the Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by striking out "$60,000,000" in paragraph (a) thereof and substituting "$100,000,000" and by striking out "$50,000,000" in paragraph (b) thereof and substituting "$100,000,000".

65 Stat. 308. 42 U.S.C. §1592l.

SEC. 5. The first sentence of section 302 (b) of the Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by adding after the words "for reuse at other locations" the words "or existing housing built or acquired by the United States under authority of other law".

65 Stat. 304. 42 U.S.C. §1592a. 66 Stat. 602. 66 Stat. 603.

SEC. 6. Section 611 of the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended, is hereby amended by inserting "or section 313 of this Act" immediately preceding the parenthetical clause, and by striking out "to this title" at the end of the parenthetical clause and inserting in lieu thereof "thereto".

65 Stat. 314. 42 U.S.C. §1589a.

SEC. 7. The first sentence of section 3 (b) and the first sentence of section 3 (d) of the Alaska Housing Act, approved April 23, 1949, as amended, are hereby amended by striking "$15,000,000" and inserting "$20,000,000".

63 Stat. 58. 48 U.S.C. §484.

SEC. 8. Title II of the National Housing Act, as amended, is hereby amended by adding the following new section:

12 U.S.C. §§1707-1715h.

"SEC. 218. In any case where an application for mortgage insurance under section 608 of this Act was received by the Federal Housing Commissioner on or before March 1, 1950, and a commitment to insure was issued by said Commissioner in accordance therewith any mortgagee who, prior to the expiration of such commitment, applied for insurance of a mortgage under section 207 of this Act with respect to the same property or project shall receive credit for all application fees paid in connection with the prior application: *Provided*. That nothing therein shall constitute a waiver of any requirements otherwise applicable to the insurance of mortgages under section 207 of this Act.".

12 U.S.C. §1743. 12 U.S.C. §1713.

SEC. 9. The Secretary of the Treasury is hereby authorized and directed from time to time to credit and cancel the note or notes of the Housing and Home Finance Administrator executed and delivered in connection with loans transferred from the Reconstruction Finance

Corporation to the Housing and Home Finance Agency pursuant to Reorganization Plan Numbered 23 of 1950 (64 Stat. 1279), to the extent of the net loss, as determined by the Secretary of the Treasury, sustained by said Agency in the liquidation of defaulted loans. The net loss shall be the sum of the unpaid principal and advances for care and preservation of collateral, together with accrued and unpaid interest on said principal and advances, and all expenses and costs (other than those subject to administrative expense limitations) in connection with the liquidation of defaulted loans, less the amount actually realized by the Housing and Home Finance Agency on account of such defaulted loans.

SEC. 10. (a) The National Housing Act, as amended, is hereby amended—

(1) by adding at the end of section 8 the following new section 9: 64 Stat. 48. 12 U.S.C. § 1706c.

"SEC. 9. The provisions of sections 2 and 8 shall be applicable in the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.";

(2) by adding "Guam," after the words "District of Columbia," in each place where they appear in sections 201 (d), 207 (a) (7), 301 (c) (4), 601 (d), and 801 (f); 12 U.S.C. §§ 1707, 1713, 1716, 1736, 1748.

(3) by inserting in section 214— 12 U.S.C. § 1715d.

(A) the words "or in Guam" after the word "Alaska" in each place where it appears in said section,

(B) the words "or maxima" after the word "maximum", and

(C) the words "or the Government of Guam or any agency or instrumentality thereof" after the words "Alaska Housing Authority" in each place where they appear in said section;

(4) by adding at the end of section 713 the following new subsection (q): 62 Stat. 1281. 12 U.S.C. § 1747l.

"(q) 'State' shall include the several States and Alaska, Hawaii, Puerto Rico, the District of Columbia, Guam, and the Virgin Islands."; and 66 Stat. 603. 66 Stat. 604.

(5) by deleting the words "or Territory" in section 403 (a) and inserting in lieu thereof the words "Territory, or possession". 12 U.S.C. § 1726.

(b) The Home Owners' Loan Act of 1933, as amended, is hereby amended by adding a comma and "Guam," after the words "Puerto Rico" in section 7 thereof. 48 Stat. 134. 12 U.S.C. § 1466.

(c) The Federal Home Loan Bank Act, as amended, is hereby amended by adding "Guam," after "District of Columbia," in section 2 (3) and after "Virgin Islands," in section 3 thereof. 47 Stat. 725. 12 U.S.C. §§ 1422, 1423.

(d) The Defense Housing and Community Facilities and Services Act of 1951 is hereby amended by adding at the end of section 401 the following: "This title shall be applicable in the several States, the District of Columbia, and the Territories and possessions of the United States." 65 Stat. 310. 42 U.S.C. § 1593.

(e) Section 102b of the Housing Act of 1948, as amended, is hereby amended by adding at the end thereof the following: "Such powers, functions, and duties may be exercised in the several States, the District of Columbia, and the Territories and possessions of the United States." 65 Stat. 312. 12 U.S.C. § 1701g-2.

SEC. 11. Title V of the Housing Act of 1949, as amended, is hereby amended as follows:

(a) In the first sentence of section 511 immediately following the phrase "July 1, 1951" strike the word "and" and insert at the end of the sentence just before the period a comma and the language "and an additional $100,000,000 on and after July 1, 1953". 63 Stat. 438. 42 U.S.C. § 1481.

(b) In section 512, (i) strike "and 1952" and insert "1952, and 1953", and (ii) strike "and $2,000,000" and insert "$2,000,000 and $2,000,000". 42 U.S.C. § 1482.

42 U.S.C. § 1483.

(c) In section 513, strike "and $10,000,000 on July 1 of each of the years 1950, 1951, and 1952" and insert "$10,000,000, and $10,000,000 on July 1 of each of the years 1950, 1951, 1952, and 1953".

48 Stat. 132. 12 U.S.C. § 1464.

SEC. 12. The first paragraph of subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by adding at the end thereof the following new sentence: "In addition to the loans and investments otherwise authorized, such associations may purchase, subject to all the provisions of this paragraph except the area restriction, loans secured by first liens on improved real estate which are insured under the provisions of the National Housing Act, as amended, or insured as provided in the Servicemen's Readjustment Act of 1944, as amended."

65 Stat. 297. 12 U.S.C. § 1750b.

SEC. 13. Section 903 (c) of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new sentence: "Upon application of the mortgagee with the consent of the mortgagor of a mortgage for which a commitment to insure has been issued pursuant to section 203 of this Act covering property on which the construction of the dwellings thereon was begun prior to the enactment of this title and the determination of prevailing wages in the locality in accordance with section 212, the Commissioner is authorized, notwithstanding such beginning of construction, to convert such commitment to a commitment under section 908; any charges or fees paid to the Commissioner with respect to such insurance under section 203 shall be credited to charges or fees due the Commissioner with respect to such insurance under section 908; and the determination of prevailing wages in the locality for purposes of section 212 may be made by the Secretary of Labor at any time prior to the insurance under section 908: *Provided*, That such mortgage, or the mortgage covering the same property executed in substitution therefor, is otherwise eligible for insurance under section 908."

12 U.S.C. § 1709.
12 U.S.C. § 1715c.
12 U.S.C. § 1750g.
66 Stat. 604.
66 Stat. 605.

61 Stat. 777. 12 U.S.C. § 1745.
12 U.S.C. § 1743.

SEC. 14. Section 610 of the National Housing Act, as amended, is amended by adding at the end thereof the following new paragraph:

"The Commissioner is further authorized to insure or to make commitments to insure under section 608 of this title in accordance with the provisions of this section any mortgage executed in connection with the sale by a State or municipality, or an agency, instrumentality, or body politic of either, of any permanent housing (including any property acquired, held, or constructed in connection therewith or to serve the inhabitants thereof), constructed by or on behalf of such State, municipality, agency, instrumentality, or body politic, for the occupancy of veterans of World War II, their families, and others: *Provided*, That the principal obligation of any such mortgage does not exceed either 85 per centum of the appraised value of the mortgage property as determined by the Commissioner or $8,100 per family unit for such part of such property as may be attributable to dwelling use."

Approved July 14, 1952.

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